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LIVESTOCK AND MEAT Situation

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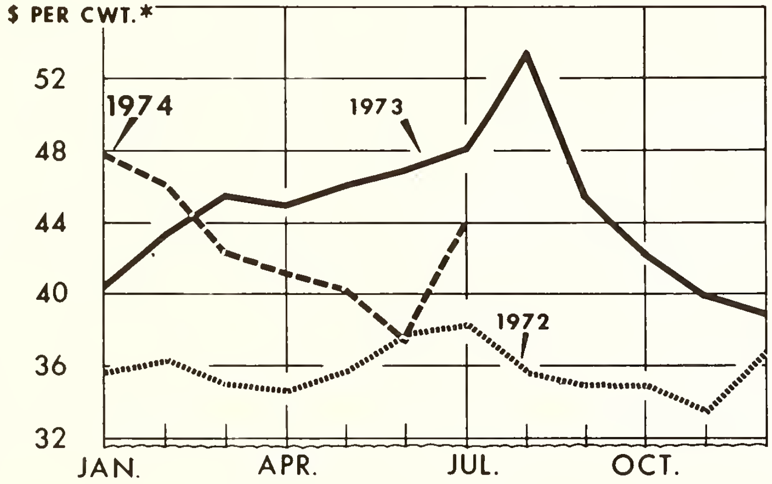
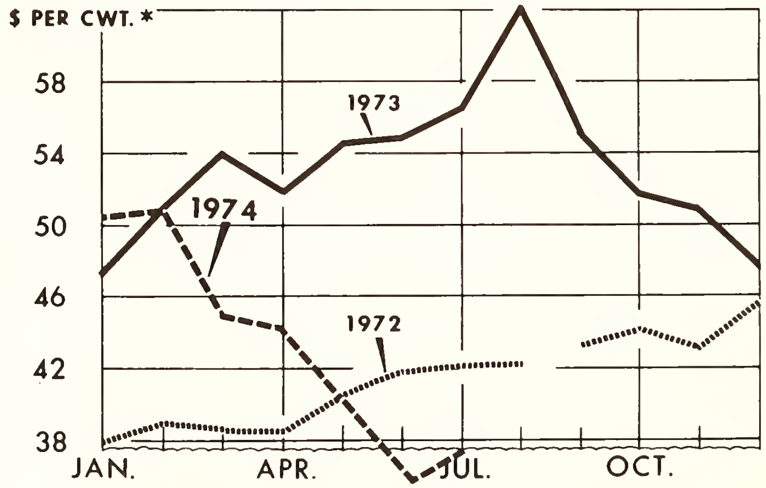
SLAUGHTER STEER PRICES



*CHOICE GRADE, SOLD OUT OF FIRST HANDS AT OMAHA.

U.S. DEPARTMENT OF AGRICULTURE NEG. ERS 1086 - 74 (8) ECONOMIC RESEARCH SERVICE

FEEDER STEER PRICES



*CHOICE GRADE, 600-700 LB. AT KANSAS CITY.

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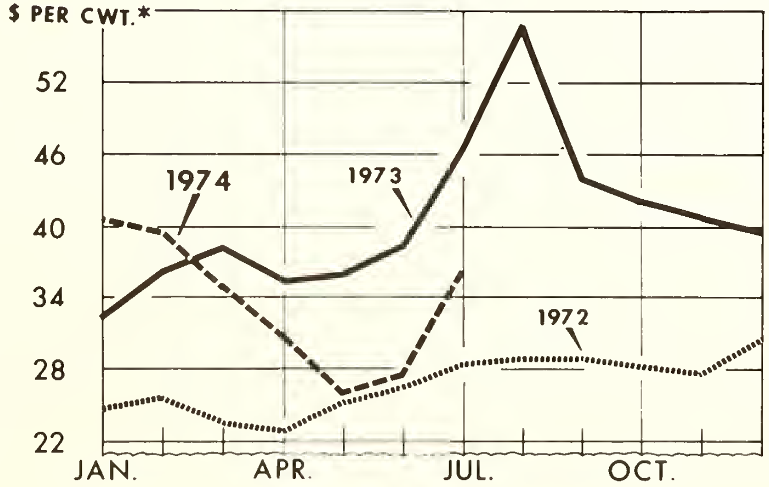
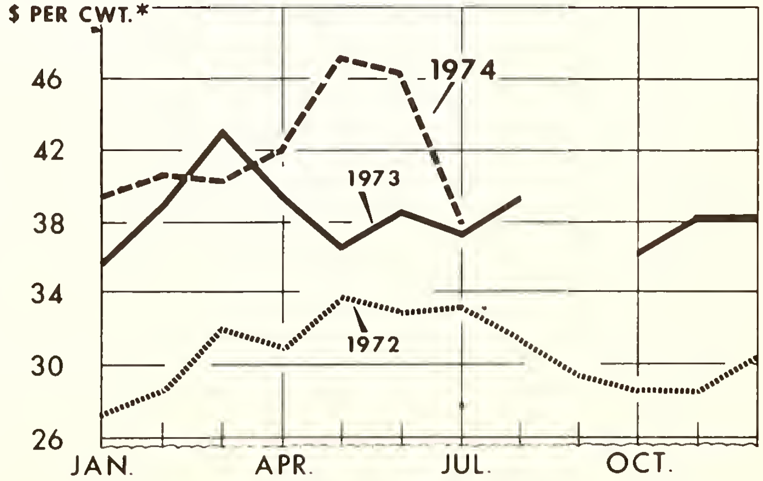
HOG PRICES



BARROWS AND GILTS AT 7 MARKETS.

U.S. DEPARTMENT OF AGRICULTURE NEG. ERS 4218 - 74 (8) ECONOMIC RESEARCH SERVICE

SLAUGHTER LAMB PRICES



*CHOICE GRADE AT SAN ANGELO, SPRING LAMBS-MARCH TO SEPTEMBER, ALL OTHER MONTHS WOOLED.

U.S. DEPARTMENT OF AGRICULTURE NEG. ERS 3758 - 74 (8) ECONOMIC RESEARCH SERVICE

LIVESTOCK AND MEAT SITUATION

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Approved by
The Outlook and Situation Board
and Summary released
August 14, 1974

Written by
John T. Larsen
George Hoffman

Commodity Economic Division

Economic Research Service

U.S. Department of Agriculture
Washington, D.C. 20250

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The *Livestock and Meat Situation* is published in February, May, July, August, October, and November.

SUMMARY

After experiencing nearly 18 months of disrupted market conditions, the cattle industry this summer faced widespread drought conditions in the West, Southwest, and parts of the Corn Belt. Stockmen are especially vulnerable to drought this year because the cattle inventory has been increasing rapidly in recent years and had topped 138 million head by mid-1974. Over 90 percent of these cattle were on ranges and grassland on July 1. Movement of cattle from the range due to drought, if the recent rains haven't broken it, will likely result in larger than normal increases in slaughter of cows, steers, and heifers directly from grass for the rest of 1974.

Drought conditions affecting the cattle industry will not be limited to pasture and range conditions. Reduced corn and soybean crops with sharply higher feed prices will have a substantial impact on the livestock and poultry industry and could set off a chain of events that may reverberate through the livestock industry for several years.

Summer cattle slaughter is expected to be substantially larger than last summer's low level, with most of the increase due to slaughter of cattle direct from the range rather than through the feedlot. Choice steer prices may average in the mid-$40's, $4.-$7 higher than in the spring. But prices of cows and grassfed steers and heifers are not expected to fully share in this price strength.

This fall, fed cattle will be in short supply but larger slaughter of cows, steers, and heifers directly from grass could boost total slaughter slightly higher than a year earlier, and weaken the fed cattle market. Choice steer prices in October-December may average in the low $40's; greater price weakness is likely for cows and calves.

But if moisture conditions improve soon, forced movement of cattle to slaughter could be slowed and cattle prices this fall would be influenced much more by the expected low level of feedlot marketings. In this event, Choice steer prices could move higher, approaching $50. Further range deterioration, however, resulting in much larger cattle slaughter could put considerable downward pressure on cattle prices.

The number of cattle on feed in the 23 major States fell to 10 million head on July 1, the fewest since 1968. But the supply of feeder cattle over 500 pounds, not already in feedlots, grew by 21 percent from last July. The weakening demand from feedlots for replacement cattle because of high feed costs and lack of funds, plus the forced movement of the large feeder cattle supply, will keep feeder cattle prices low. A range of $25-$35 for the remainder of 1974 seems likely.

Hog slaughter this summer is expected to exceed last summer's unusually low level by 10-15 percent. But summer slaughter is seasonally lower than the spring, and barrow and gilt prices are expected to average in the mid-30's. Seasonally increasing hog slaughter this fall and increased supplies of lower grade beef are expected to keep hog prices in the low $30's this fall.

Look for smaller supplies of pork and higher hog prices in 1975. Farrowing intentions as of June 1 suggested smaller pork supplies in early 1975. Recent sharp increases in corn prices could reduce sow farrowings and subsequent hog slaughter even further.

Sheep and lamb slaughter is expected to be sharply lower this summer and fall. Poor pasture conditions have not provided sufficient weight gains on the remaining 1974 lamb crop for acceptable slaughter finish. But lamb prices through the summer and fall will remain seasonally lower than the record spring level. Second half slaughter lamb prices are expected to range between $36 and $44 per 100 pounds.

Farm prices of meat animals in the first half of 1974 averaged 7 percent under a year earlier. But wholesale meat prices were 1 percent higher, and retail meat prices were 10 percent higher despite declines in the second quarter. Retail meat prices are trending upward from spring. They will probably turn lower again in the fall and remain below year-earlier levels for most of the last half of 1974.

SITUATION AND OUTLOOK

Commercial Meat Production

	1973				1974			
	I	II	III	IV	I	II	III[1]	IV[1]
Beef (Mil. lbs.)	5,393	5,049	4,997	5,649	5,429	5,637	(5,440)	(5,875)
Percent change								
from year earlier	0	-9	-10	-1	+1	+12	+9	+4
Previous quarter	-6	-6	-1	+13	-4	+4	-3	+8
Pork (Mil. lbs.)	3,262	3,178	2,791	3,347	3,370	3,540	(3,130)	(3,450)
Percent change								
from year earlier	-7	-6	-9	-5	+3	+11	+12	+3
Previous quarter	-7	-3	-12	+20	+1	+5	-12	+10
Lamb and Mutton (Mil. lbs.)	126	127	128	123	120	108	(100)	(110)
Percent change								
from year earlier	-11	-2	+3	-10	-5	-15	-22	-11
Previous quarter	-8	+1	+2	-4	-2	-10	-7	+10

Livestock Prices

	1973				1974			
	I	II	III	IV	I	II	III[1]	IV[1]
	Dollars per 100 pounds	*Dollars per 100 pounds*	*Dollars per 100 pounds*	*Dollars per 100 pounds*	*Dollars per 100 pounds*	*Dollars per 100 pounds*	*Dollars per 100 pounds*	*Dollars per 100 pounds*
Choice steers, Omaha	43.17	46.00	49.04	40.20	45.40	39.52	44-46	42-44
Barrows and gilts, 7 markets	35.62	36.67	49.04	40.96	38.40	28.00	34-36	32-34
Slaughter lambs, 5 markets	38.25	36.00	36.63	35.00	39.66	45.40	40-42	38-40

[1] Forecast.

CATTLE

The first half of 1974 won't be remembered favorably by cattle feeders who saw slaughter cattle prices drop from a high of nearly $50 per 100 pounds (Choice steers, Omaha) in mid-January to a low of near $36 in mid-June. Feed costs remained high, and many of the cattle sold in the depressed slaughter market had been purchased earlier in 1973 when feeder cattle prices were at a record high.

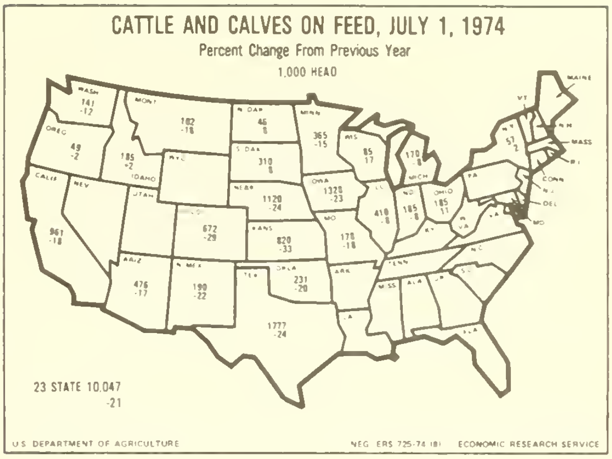
23 States cattle on feed, placements and marketings

Year	On feed	Change previous year	Placements	Change previous year	Marketings	Change previous year
	1,000 head	*Percent*	*1,000 head*	*Percent*	*1,000 head*	*Percent*
1971						
I	12,209	-0.3	5,734	+12.0	6,231	+1.4
II	11,712	+0.8	5,455	+4.1	6,278	+0.9
III	10,889	+2.4	6,371	+3.7	6,594	+4.6
IV	10,666	+2.3	8,842	+10.6	6,178	-0.6
1972						
I	13,330	+9.2	5,933	+3.5	6,443	+3.4
II	12,820	+9.5	6,364	+16.7	6,727	+7.2
III	12,457	+14.4	6,224	-2.3	6.907	+4.7
IV	11,774	+10.4	8,862	+0.2	6,775	+9.7
1973						
I	13,861	+4.0	6,040	+1.8	6,585	+2.2
II	13,316	+3.9	5,696	-10.5	6,283	-6.6
III	12,729	+2.2	5,283	-15.1	5,958	-13.7
IV	12,054	+2.4	7,513	-15.2	6,505	-4.0
1974						
I	13,067	-5.7	5,292	-12.4	6,049	-8.1
II	12,310	-7.6	4,028	-29.3	6,291	+0.1
III	10,047	-21.1			[1] 5,852	-2.0

[1] Expected marketings.

Many cattle feeders responded to feedlot losses by not replacing the cattle marketed from their feedlots. Placements in the first half of 1974 were down 21 percent from a year earlier and were the lowest since 1967. Most of the decline came in the second quarter when placements dropped 29 percent. First half fed cattle marketings were down 4 percent from 1973, but marketings far outpaced placements, resulting in a substantial reduction of the number of cattle on feed. On July 1 there were 10 million cattle on feed in the 23 major cattle feeding States, 23 percent fewer than January 1974 and 21 percent less than a year earlier. This was the smallest number of cattle in feedlots since October 1, 1968.

Although first-half fed cattle slaughter lagged year-earlier levels, larger cow slaughter and increased non-fed steer and heifer slaughter boosted first-half commercial slaughter to 17.3 million head, up 3 percent from 1973, and just short of the record 17.7 million head slaughtered in the first half of 1972. January-June 1974 cow slaughter was up 2 percent. Non-fed steer and heifer slaughter exceeded 1 million head compared with about 100,000 in the first half of 1973.

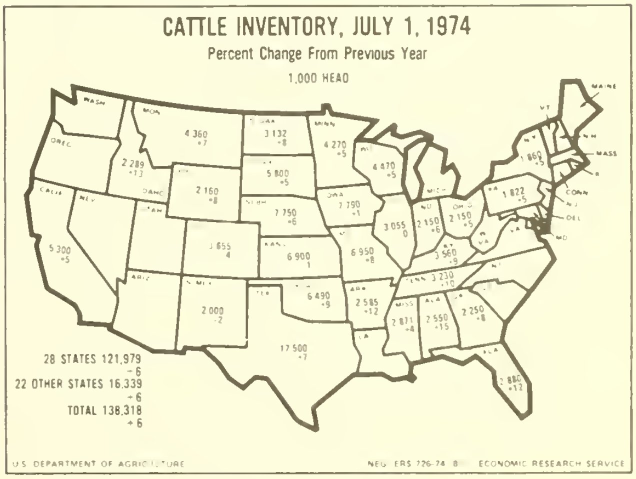

CATTLE AND CALVES ON FEED, JULY 1, 1974

Percent Change From Previous Year

Record large feeder cattle supplies, coupled with the sagging demand for feedlot replacements because of high feed prices and lower fed cattle prices, put feeder cattle prices in a tailspin from January through June. Choice 600-700 pound steers at Kansas City that sold for near $52 per 100 pounds in mid-January were going for near $34 in mid-June. By early July a much stronger slaughter cattle market turned feeder steer prices slightly higher again before stabilizing in the mid-$30's into August.

Inventory Gains Continue

The July 1 inventory of all cattle and calves on farms and ranches reached a record 138.3 million head, up 6 percent from last July. While the total cattle inventory continued larger, the number of cattle in feedlots shrank to 10 million head, leaving over 90 percent of the cattle inventory feeding on grass and other roughage.


CATTLE INVENTORY, JULY 1, 1974

Percent Change From Previous Year

Table 1.—Rank of States in number of cattle and calves on farms July 1, 1974

Rank	All cattle and calves		Beef cows		Milk cows	
	State	Number	State	Number	State	Number
		1,000 head		*1,000 head*		*1,000 head*
1	Texas	17,500	Texas	7,100	Wisconsin	1,789
2	Iowa	7,790	Missouri	2,706	New York	898
3	Nebraska	7,750	Oklahoma	2,546	Minnesota	888
4	Missouri	6,950	Nebraska	2,340	California	790
5	Kansas	6,900	South Dakota	2,124	Pennsylvania	665
6	Oklahoma	6,490	Kansas	2,104	Ohio	406
7	South Dakota	5,800	Iowa	1,842	Iowa	378
8	California	5,300	Montana	1,792	Texas	350
9	Wisconsin	4,470	Kentucky	1,323	Missouri	314
10	Montana	4,360	Florida	1,311	Kentucky	297
11	Minnesota	4,270	Mississippi	1,311	Illinois	266
12	Colorado	3,855	Tennessee	1,269	Indiana	220
13	Kentucky	3,560	North Dakota	1,253	Tennessee	218
14	Tennessee	3,230	Arkansas	1,158	Florida	204
15	North Dakota	3,132	Alabama	1,142	South Dakota	164
16	Illinois	3,055	Colorado	1,114	Nebraska	158
17	Florida	2,880	California	1,050	Idaho	147
18	Mississippi	2,871	Georgia	980	Kansas	146
19	Arkansas	2,585	Illinois	867	Georgia	130
20	Alabama	2,550	Wyoming	856	Mississippi	130
21	Idaho	2,289	Minnesota	738	North Dakota	125
22	Georgia	2,250	Idaho	725	Oklahoma	124
23	Wyoming	21,60	New Mexico	700	Alabama	108
24	Indiana	2,150	Indiana	580	Arkansas	92
25	Ohio	2,150	Ohio	419	Colorado	76
26	New Mexico	2,000	Wisconsin	340	New Mexico	30
27	New York	1,860	Pennsylvania	164	Montana	28
28	Pennsylvania	1,822	New York	120	Wyoming	14
	22 Other States	16,339		5,365		1,994
	United States	138,318		45,339		11,149

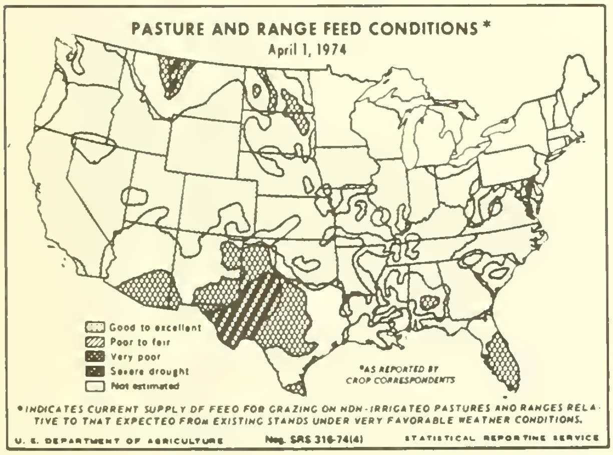
[1] State estimates not available in July.

The beef cow herd has grown 20 percent in the last 5 years from 35.5 million head in 1969 to 42.9 million head on January 1, 1974. Commercial cow slaughter, however, declined from nearly 7 million head in 1969 to just over 6 million last year.

As of July 1, 1974, there were an estimated 16 million steers and heifers on farms and ranches (not including cow replacements) weighing over 500 pounds and not in the feedlot—a 21 percent increase from a year ago. There were over 41 million calves weighing less than 500 pounds and not on feed July 1, 1974—up 10 percent from a year earlier.

Drought Conditions

In looking ahead to the remainder of 1974 and 1975, cattle slaughter and prices will be sensitive to drought conditions that first became apparent in Arizona, New Mexico and the Texas Panhandle area earlier this year, and by midsummer had spread East and North. Hot, dry weather this summer quickly deteriorated range grass conditions while pushing hay and roughage prices sharply higher. Prices of feed grains have also risen sharply as expectations for the 1974 grain crop deteriorated.


PASTURE AND RANGE FEED CONDITIONS*
April 1, 1974
Good to excellent
Poor to fair
Very poor
Severe drought
Not estimated
*AS REPORTED BY CROP CORRESPONDENTS
*INDICATES CURRENT SUPPLY OF FEED FOR GRAZING ON NON-IRRIGATED PASTURES AND RANGES RELATIVE TO THAT EXPECTED FROM EXISTING STANDS UNDER VERY FAVORABLE WEATHER CONDITIONS.
U. S. DEPARTMENT OF AGRICULTURE
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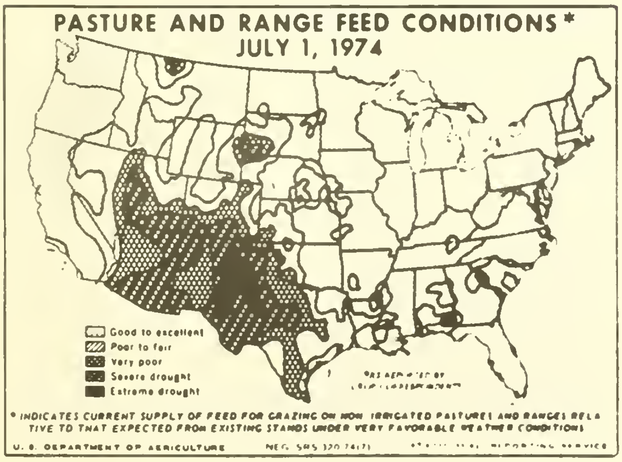
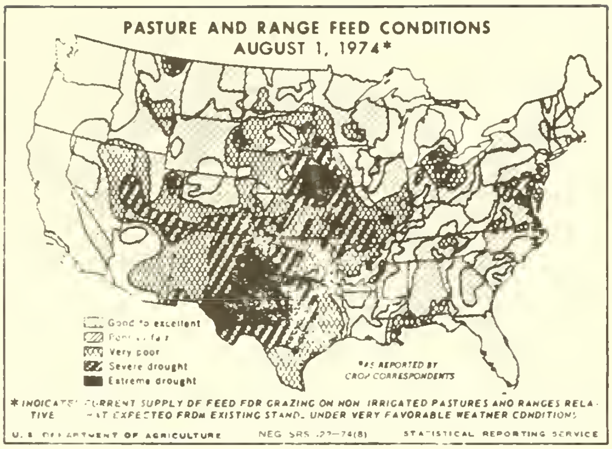
STATISTICAL REPORTING SERVICE


PASTURE AND RANGE FEED CONDITIONS*
JULY 1, 1974
Good to excellent
Poor to fair
Very poor
Severe drought
Extreme drought
*AS REPORTED BY CROP CORRESPONDENTS
*INDICATES CURRENT SUPPLY OF FEED FOR GRAZING ON NON IRRIGATED PASTURES AND RANGES RELATIVE TO THAT EXPECTED FROM EXISTING STANDS UNDER VERY FAVORABLE WEATHER CONDITIONS
U. S. DEPARTMENT OF AGRICULTURE
NEG. SRS 320-74(7)
STATISTICAL REPORTING SERVICE


PASTURE AND RANGE FEED CONDITIONS
AUGUST 1, 1974*
Good to excellent
Poor to fair
Very poor
Severe drought
Extreme drought
*AS REPORTED BY CROP CORRESPONDENTS
*INDICATES CURRENT SUPPLY OF FEED FOR GRAZING ON NON IRRIGATED PASTURES AND RANGES RELATIVE TO THAT EXPECTED FROM EXISTING STANDS UNDER VERY FAVORABLE WEATHER CONDITIONS
U. S. DEPARTMENT OF AGRICULTURE
NEG. SRS [illegible]-74(8)
STATISTICAL REPORTING SERVICE

If the dry conditions continue, or worsen during the summer and fall months, movement of cattle off grass will come sooner and be much larger than the usual fall increase. Some of this movement has probably already begun in August. Rainfall during the second week of August gave pastures some relief from prolonged dryness. But range feed is still short in most Western and Great Plains States. Supplemental feeding is increasing as grass dries out, and loses feed value.

Feeder Cattle Prices Low

During 1973, Choice 600-700 pound feeder steers averaged $7-$10 per 100 pounds higher than slaughter cattle. But that trend was reversed in May this year as feeders dropped below the fed market for the first time since 1965. In July, 600-700 pound feeders were running nearly $7 below the slaughter steer market. By early August the spread had widened to nearly $10. High feed costs, reduced demand for replacement cattle, and record large feeder cattle supplies, were largely responsible.

This situation will likely continue, and could worsen if dry conditions force large numbers of cattle off grass. Although higher fed cattle prices this summer will provide encouragement for feedlot placements, higher feed prices will limit the demand for feeder cattle. The sharp runup in feed prices this summer has been discouraging to cattle feeders. In the South and Southwest, outside investors have typically provided a substantial amount of the financing for the increased cattle feeding in recent years. But losses to date have discouraged this type of investment and new sources may have to be found or developed by these feedlot operations. In the Corn Belt, many feeders will likely sell their corn rather than feed it to livestock if corn prices soar, as expected. Recent legislation of loan guarantees for cattle feeders is not expected to significantly increase the number of cattle placed in feedlots.

However, feedlot placements may be higher in the second half of 1974 than the depressed levels of a year earlier. Some cattle feeders in early August who hedged their feeding operations in the futures market were probably able to lock in a profit situation with feeder steers selling near $30-$35 per 100 pounds, feed costs running near 40 cents per pound of gain, and futures contract prices for Choice slaughter steers near $50. However, sharply rising feed prices may require an even larger margin between feeder steers and fed cattle prices.

With calf and yearling prices low, and dry weather forcing some of these cattle off grass, many ranchers may decide to have their feeders custom fed, and maintain ownership until they reach slaughter weights. This may show up as some increases in placements in the larger feedlots located in Texas, Oklahoma, New Mexico and Kansas later this summer and fall.

Feeder cattle prices in the next several months will be determined largely by the number of cattle forced off ranges due to drought. Yearling steer and calf prices may range between $25-$35 for the remainder of 1974. The strongest demand for replacement cattle will likely be for the heavier weight feeders which would require only 90-120 days in the feedlot to reach market weights.

The risk associated with a longer feeding period and high feed costs per pound of gain will discourage placements of the lighter cattle. The reduced demand for calves at midyear was reflected in calf prices. In 1973 Choice 400-500 pound calves sold for $5-$10 higher than Choice 600-700 pound yearlings. By mid-1974, the calves were running only $1-$2 higher.

Feeder cattle prices per 100 pounds, Kansas City

Month	Choice feeder steers 600-700 lbs.[1]			Choice feeder steer calves[2]		
	1972	1973	1974	1972	1973	1974
	Dol.	*Dol.*	*Dol.*	*Dol.*	*Dol.*	*Dol.*
Jan.	37.92	47.33	50.58	41.50	51.95	54.66
Feb.	38.86	50.98	50.80	43.94	56.10	54.45
Mar.	38.64	54.01	44.81	44.69	62.72	54.02
Apr.	38.54	51.82	44.15	45.16	60.42	50.30
May	40.43	54.55	40.14	46.67	62.59	45.48
June	41.94	54.85	35.10	47.32	62.42	39.96
July	42.02	56.49	36.88	47.10	64.40	37.72
Aug.	42.07	62.40		48.32	72.52	
Sept.	43.29	55.06		48.70	62.80	
Oct.	44.15	51.86		49.81	59.46	
Nov.	43.17	51.02		48.37	56.42	
Dec.	45.77	47.71		49.90	52.59	
Av.	41.40	53.17		46.79	60.36	

[1] Prior to 1972 550-750 lbs. [2] 400-500 lbs., prior to 1972 300-500 lbs.

Slaughter Cattle Picture Improving

After sustaining substantial losses on cattle feeding operations since the fall of 1973, the situation will be generally brighter in coming months. Although feed costs have recently turned sharply higher, most of the fed cattle sold in August and after will have been purchased on a much lower feeder cattle market which began last February. The decline of more than $15 per 100 pounds in feeder cattle in the first half of the year roughly translates into a $10 per 100 pound drop in the breakeven price of slaughter cattle which will be sold later this year. Also, the $10 increase for slaughter cattle from mid-June to mid-July eased the loss position of cattle feeders from previous months.

The sharp run-up in slaughter steer prices in late June also turned the feeder market higher for a short time. But increasing supplies of feeder cattle again turned the market lower by early August.

Cattle feeders coming out of a period of substantial losses are now likely calculating their costs of production with a sharper pencil. Considering the record large supplies of feeder cattle available for placement and the poor pasture conditions forcing

Gross cattle feeding margins[1]

Year	Fed cattle[2]	Feeder cattle[3]	Gross margin
	Dollars per steer	*Dollars per steer*	*Dollars per steer*
1972			
January	374	206	168
February	381	211	170
March	369	210	159
April	362	214	148
May	375	221	154
June	398	223	175
July	403	228	175
August	375	233	142
September	364	232	132
October	367	231	136
November	353	243	110
December	387	252	135
1973			
January	427	252	175
February	457	252	205
March	479	260	219
April	473	265	208
May	480	259	221
June	491	275	216
July	500	284	216
August	556	306	250
September	474	324	150
October	440	311	129
November	421	327	94
December	413	329	84
1974			
January	495	339	156
February	487	374	113
March	450	330	120
April	436	311	125
May	425	306	119
June	399	286	113
July	459	303	156

[1] Current fed prices per steer compared with feeder cattle prices 6 months earlier. [2] Choice steers at Omaha, 1,050 lbs. [3] Choice steers at Kansas City, 600 lbs.

Table 2.—Corn Belt Cattle Feeding

Selected expenses at current rates[1]

Purchased during Marketed during	July 73 Jan. 74	Aug. Feb.	Sept. Mar.	Oct. Apr.	Nov. May	Dec. June	Jan. 74 July	Feb. Aug.	Mar. Sept.	Apr. Oct.	May Nov.	June Dec.	July Jan. 75
	Dollars per head	*Dollars per head*	*Dollars per head*	*Dollars per head*	*Dollars per head*	*Dollars per head*	*Dollars per head*	*Dollars per head*	*Dollars per head*	*Dollars per head*	*Dollars per head*	*Dollars per head*	*Dollars per head*
Expenses													
600 lb. feeder steer	338.94	374.40	330.36	311.16	306.12	286.26	303.48	304.80	268.86	264.90	240.84	210.60	220.32
Transportation to feedlot (400 miles)	4.56	4.56	4.56	4.80	4.80	4.80	4.80	4.80	4,80	5.04	5.04	5.04	5.04
Corn (45 bu.)	94.95	125.10	94.95	94.95	99.00	108.00	117.00	125.55	120.15	107.55	110.70	117.00	134.10
Silage (1.7 tons)	24.46	30.50	24.87	24.67	25.72	28.25	31.08	33.46	32.37	30.28	30.38	30.58	33.95
30% protein supplement (270 lb.)	24.03	26.06	23.90	23.22	23.22	24.44	24.84	24.17	23.22	23.09	21.74	20.93	21.60
Hay (400 lb.)	4.65	4.90	4.95	4.80	5.00	5.60	6.40	6.95	6.90	7.10	6.75	6.05	6.15
Labor (4 hours)	8.72	8.72	8.72	8.84	8.84	8.84	9.04	9.04	9.04	9.20	9.20	9.20	9.44
Management[2]	4.36	4.36	4.36	4.42	4.42	4.42	4.52	4.52	4.52	4.60	4.60	4.60	4.72
Vet medicine[3]	2.37	2.45	2.43	2.44	2.46	2.48	2.55	2.58	2.60	2.66	2.67	2.69	2.72
Interest on purchase (6 mo.)	14.40	15.91	14.04	14.34	14.11	13.20	14.42	14.48	12.77	13.91	12.64	11.06	11.57
Power, equip, fuel, shelter, depreciation[3]	10.94	11.31	11.22	11.27	11.35	11.49	11.79	11.95	12.03	12.32	12.36	12.45	12.56
Death loss (1% of purchase)	3.39	3.74	3.30	3.11	3.06	2.86	3.03	3.05	2.69	2.65	2.41	2.11	2.20
Transportation (100 miles)	2.00	2.00	2.00	2.10	2.10	2.10	2.10	2.10	2.10	2.21	2.21	2.21	2.21
Marketing expenses	3.25	3.25	3.25	3.25	3.25	3.25	3.30	3.30	3.30	3.30	3.30	3.30	3.35
Miscellaneous & indirect costs[3]	4.73	4.89	4.85	4.87	4.91	4.97	5.10	5.17	5.20	5.33	5.35	5.38	5.43
Total	545.75	622.15	537.76	518.24	518.36	510.96	543.45	555.92	510.55	494.14	470.19	443.20	475.36
	Dollars per cwt.	*Dollars per cwt.*	*Dollars per cwt.*	*Dollars per cwt.*	*Dollars per cwt.*	*Dollars per cwt.*	*Dollars per cwt.*	*Dollars per cwt.*	*Dollars per cwt.*	*Dollars per cwt.*	*Dollars per cwt.*	*Dollars per cwt.*	*Dollars per cwt.*
Selling price/cwt. required to cover feed and feeder costs (1050 lbs.)	46.38	53.42	45.62	43.70	43.72	43.10	45.98	47.14	43.00	41.23	39.09	36.68	39.63
Selling price/cwt. required to cover all costs (1050 lbs.)	51.98	59.25	51.22	49.36	49.37	48.66	51.76	52.94	48.62	47.06	44.78	42.21	45.27
Feed cost per 100 lb. gain	32.91	41.46	33.04	32.81	33.99	36.95	39.85	42.25	40.59	37.34	37.68	38.79	43.51
Choice steers Omaha	47.68	46.12	42.36	41.18	40.04	37.33	43.98						
Net margin/cwt.	-4.30	-13.13	-8.86	-8.18	-9.33	-11.33	-7.78						
Prices													
Feeder steer choice (600-700 lbs., Kansas City/cwt.)	56.49	62.40	55.06	51.86	51.02	47.71	50.58	50.80	44.81	44.15	40.14	35.10	36.72
Corn/(bu.)[4]	2.11	2.78	2.11	2.11	2.20	2.40	2.60	2.79	2.67	2.39	2.46	2.60	2.98
Hay/ton[4]	23.25	24.50	24.75	24.00	25.00	28.00	32.00	34.75	34.50	35.50	33.75	30.25	30.75
Corn silage /ton[5]	14.39	17.94	14.63	14.51	15.13	16.62	18.28	19.68	19.04	17.81	17.87	17.99	19.97
30%, Protein supplement/cwt.[6]	8.90	9.65	8.85	8.60	8.60	9.05	9.20	8.95	8.60	8.55	8.05	7.75	8.00
Farm Labor/hour[6]	2.18	2.18	2.18	2.21	2.21	2.21	2.26	2.26	2.26	2.30	2.30	2.30	2.36
Interest annual rate	8.50	8.50	8.50	9.22	9.22	9.22	9.50	9.50	9.50	10.50	10.50	10.50	10.50
Transportation rate/cwt. 100 mile[7]	.19	.19	.19	.20	.20	.20	.20	.20	.20	.21	.21	.21	.21
Marketing expenses[8]	3.25	3.25	3.25	3.25	3.25	3.25	3.30	3.30	3.30	3.30	3.30	3.30	3.35
Index of prices paid by farmers 1910-14=100)	499	516	512	514	518	524	538	545	549	562	564	568	573

[1] Represents only what expenses would be if all selected items were paid for during the period indicated. The feed ration and expense items do not necessarily coincide with experience of individual feeders. For individual use, adjust expenses and prices for management, production level and locality of operation. [2] Assumes one hour at twice the labor rate. [3] Adjusted quarterly by the index of prices paid by farmers for commodities, services, interest, taxes and wage rates. [4] Average price received by farmers in Iowa and Illinois. [5] Corn silage price derived from an equivalent price of 5 bushels corn and 330 lb. hay. [6] Average price paid by farmers in Iowa and Illionis. [7] Converted from cents/mile for a 44,000 pound haul. [8] Yardage plus commission fees at a midwest terminal market.

Table 3.—Texas Panhandle Cattle Feeding

Selected expenses at current rates[1]

Purchased during Marketed during	July 73 Jan. 74	Aug. Feb.	Sept. Mar.	Oct. Apr.	Nov. May	Dec. June	Jan. 74 July	Feb. Aug.	Mar. Sept.	Apr. Oct.	May Nov.	June Dec.	July Jan. 75
	Dollars per head	*Dollars per head*	*Dollars per head*	*Dollars per head*	*Dollars per head*	*Dollars per head*	*Dollars per head*	*Dollars per head*	*Dollars per head*	*Dollars per head*	*Dollars per head*	*Dollars per head*	*Dollars per head*
Expenses													
600 lb. Feeder steer	293.64	321.72	296.64	260.82	258.72	257.52	281.58	260.28	235.26	240.60	205.80	168.36	189.24
Transportation to feedlot (150 mi.)	1.71	1.71	1.71	1.80	1.80	1.80	1.80	1.80	1.80	1.89	1.89	1.89	1.89
Commission	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Sorghum grain (2156 lb.)	76.11	76.11	82.14	74.81	78.69	83.87	89.47	99.82	98.31	85.38	81.07	79.77	89.47
Corn (18 bu.)	37.80	49.50	43.38	43.20	44.10	46.98	49.32	52.20	50.94	45.54	45.54	46.26	49.32
Ureau (20 lb.)	.87	.87	.92	.92	.92	.92	.92	.92	.92	1.94	1.94	1.94	1.94
Cottonseed hulls (352 lb.)	7.57	7.57	8.89	7.92	7.83	8.54	8.54	8.80	8.80	8.80	8.80	8.80	8.80
Alfalfa cubes (352 lb.)	18.70	20.68	20.68	20.24	22.66	23.76	24.86	25.30	23.54	23.54	25.08	22.88	24.20
Labor (2 hours)	3.40	3.40	3.40	3.54	3.54	3.54	3.72	3.72	3.72	3.80	3.80	3.80	3.90
Management[2]	3.40	3.40	3.40	3.54	3.54	3.54	3.72	3.72	3.72	3.80	3.80	3.80	3.90
Vet medicine[3]	2.37	2.45	2.43	2.44	2.46	2.48	2.55	2.58	2.60	2.66	2.67	2.69	2.72
Interest on purchase (6 mo.)	12.48	13.67	12.61	12.02	11.93	11.87	13.38	12.36	11.17	12.63	10.80	8.84	9.94
Power, equip., fuel, shelter, dep.[3]	10.94	11.31	11.22	11.27	11.35	11.49	11.79	11.95	12.03	12.32	12.36	12.45	12.56
Death Loss (1.1% of purchase)	3.23	3.54	3.26	2.87	2.85	2.83	3.10	2.86	2.59	2.65	2.26	1.85	2.08
Transport and Marketing expense[4]	F.O.B.	F.O.B.	F.O.B.	F.O.B.	F.O.B.	F.O.B.	F.O.B.	F.O.B.	F.O.B.	F.O.B.	F.O.B.	F.O.B.	F.O.B.
Miscellaneous & Indirect costs[3]	4.73	4.89	4.85	4.87	4.91	4.97	5.10	5.17	5.20	5.33	5.35	5.38	5.43
Total	479.95	523.82	498.53	453.26	458.30	467.11	502.85	494.48	463.60	452.86	414.16	371.71	408.39
	Dollars per cwt.	*Dollars per cwt.*	*Dollars per cwt.*	*Dollars per cwt.*	*Dollars per cwt.*	*Dollars per cwt.*	*Dollars per cwt.*	*Dollars per cwt.*	*Dollars per cwt.*	*Dollars per cwt.*	*Dollars per cwt.*	*Dollars per cwt.*	*Dollars per cwt.*
Selling price required/cwt. to cover feed & feeder costs[5]	43.12	47.26	44.91	40.47	40.97	41.82	45.11	44.38	41.45	40.26	36.53	32.54	36.01
Selling price required/cwt. to cover all costs[5]	47.61	51.97	49.46	44.97	45.47	46.34	49.89	49.06	45.99	44.93	41.09	36.88	40.51
Feed cost/100 lb. gain	31.34	34.38	34.67	32.69	34.27	36.46	38.47	41.56	40.56	36.71	36.10	35.48	38.61
Good and choice slaughter steers Texas/cwt.	48.76	46.05	41.27	41.30	39.96	36.40	43.78						
Net margin/cwt.	+1.15	-5.92	-8.19	-3.67	-5.51	-9.94	-6.11						
Prices													
Good feeder steer 600 lb. Amarillo/cwt.	48.94	53.62	49.44	43.47	43.12	42.92	46.93	43.38	39.21	40.10	34.30	28.06	31.54
Transportation rate/cwt. 100 mi.[6]	.19	.19	.19	.20	.20	.20	.20	.20	.20	.21	.21	.21	.21
Commission fee/cwt.	.50	.50	.50	.50	.50	.50	.50	.50	.50	.50	.50	.50	.50
Sorghum grain/cwt.[7]	3.53	3.53	3.81	3.47	3.65	3.89	4.15	4.63	4.56	3.96	3.76	3.70	4.15
Corn/bu.	2.10	2.75	2.41	2.40	2.45	2.61	2.74	2.90	2.83	2.53	2.53	2.57	2.74
Alfalfa cubes/ton	106.25	117.50	117.50	115.00	128.75	135.00	141.25	143.75	133.75	133.75	142.50	130.00	137.50
Cottonseed Hulls/ton	43.00	43.00	50.50	45.00	44.50	48.50	48.50	50.00	50.00	50.00	50.00	50.00	50.00
Ureau/ton[8]	87.00	87.00	92.00	92.00	92.00	92.00	92.00	92.00	92.00	194.00	194.00	194.00	194.00
Farm labor[8]	1.70	1.70	1.70	1.77	1.77	1.77	1.86	1.86	1.86	1.90	1.90	1.90	1.95
Interest rate	8.50	8.50	8.50	9.22	9.22	9.22	9.50	9.50	9.50	10.50	10.50	10.50	10.50
Index of prices paid by farmers (1910-14=100)	499	516	512	514	518	524	538	545	549	562	564	568	573

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[1] Represents only what expenses would be if all selected items were paid for during the period indicated. The feed ration and expense items do not necessarily coincide with experience of individual feeders. For individual use, adjust expenses and prices for management, production level, and locality of operation. [2] Assumes one hour at twice the labor rate. [3] Adjusted quarterly by the index of prices paid by farmers for commodities, services, interest, taxes and wage rates. [4] Most cattle are sold F.O.B. the feedlot with 4% shrink. [5] Sale weight = 1008 lbs. (1050-4% shrink). [6] Converted from cents per mile for a 44,000 pound haul. [7] Average price received by farmers in Texas. [8] Average price paid by farmers in Texas.

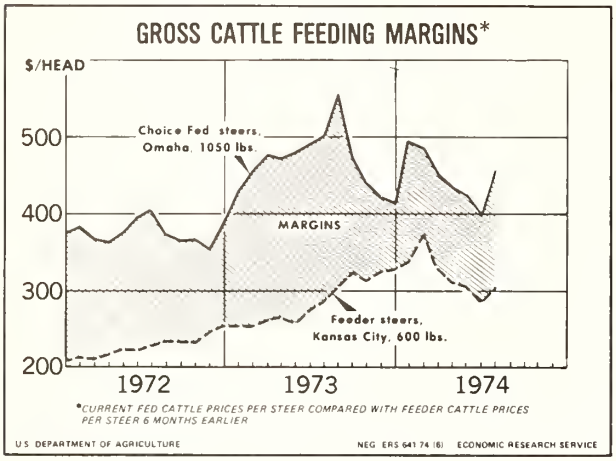
Table 4.—California Cattle Feeding

Selected expenses at current rates[1]

Purchased during Marketed during	July 73 Apr. 74	Aug. May	Sept. June	Oct. July	Nov. Aug.	Dec. Sept.	Jan. 74 Oct.	Feb. Nov.	Mar. Dec.	Apr. Jan. 75	May Feb.	June Mar.	July Apr.
	Dollars per head	*Dollars per head*	*Dollars per head*	*Dollars per head*	*Dollars per head*	*Dollars per head*	*Dollars per head*	*Dollars per head*	*Dollars per head*	*Dollars per head*	*Dollars per head*	*Dollars per head*	*Dollars per head*
Expenses													
450 lb. feeder steer	271.71	319.50	264.24	260.46	238.64	217.53	242.01	233.55	212.76	203.63	175.50	142.29	144.95
Transportation to Feedlot (1400 miles)	11.97	11.97	11.97	12.60	12.60	12.60	12.60	12.60	12.60	13.23	13.23	13.23	13.23
Commission	2.25	2.25	2.25	2.25	2.25	2.25	2.25	2.25	2.25	2.25	2.25	2.25	2.25
Barley (70 bu.)	133.00	175.70	177.80	184.80	181.30	186.90	192.50	205.10	207.20	174.30	162.40	165.20	175.70
41% Cottonseed Meal (59 lb.)	6.79	6.79	7.08	6.20	5.90	6.20	6.49	6.49	5.90	5.90	5.55	5.37	5.13
Urea (28 lb.)	1.47	1.47	1.47	1.47	1.47	1.47	1.47	1.47	1.47	2.66	2.66	2.66	2.66
Alfalfa hay (862 lb.)	18.53	19.18	22.63	26.72	29.09	29.74	30.60	31.68	31.25	31.03	28.88	28.02	27.15
Labor (2 hours)	4.48	4.48	4.48	4.60	4.60	4.60	4.72	4.72	4.72	4.82	4.82	4.82	4.98
Management[2]	4.48	4.48	4.48	4.60	4.60	4.60	4.72	4.72	4.72	4.82	4.82	4.82	4.98
Vet Medicine[3]	2.37	2.45	2.43	2.44	2.46	2.48	2.55	2.58	2.60	2.66	2.67	2.69	2.72
Interest on purchase (9 months)	17.34	20.38	16.86	18.02	16.51	15.05	17.26	16.65	15.17	16.05	13.83	11.21	11.41
Power, equip., fuel, shelter, depreciation[3]	10.94	11.31	11.22	11.27	11.35	11.49	11.79	11.95	12.03	12.32	12.36	12.45	12.56
Death Loss (2% of purchase)	5.43	6.39	5.28	5.21	4.77	4.35	4.84	4.67	4.26	4.07	3.51	2.85	2.90
Transport & marketing expenses[4]	F.O.B.	F.O.B.	F.O.B.	F.O.B.	F.O.B.	F.O.B.	F.O.B.	F.O.B.	F.O.B.	F.O.B.	F.O.B.	F.O.B.	F.O.B.
Miscellaneous and indirect costs[3]	4.73	4.89	4.85	4.87	4.91	4.97	5.10	5.17	5.20	5.35	5.38	5.38	5.43
Total	495.49	591.24	537.04	545.51	520.45	504.23	538.90	543.60	522.13	483.07	437.83	403.24	416.05
	Dollars per cwt.	*Dollars per cwt.*	*Dollars per cwt.*	*Dollars per cwt.*	*Dollars per cwt.*	*Dollars per cwt.*	*Dollars per cwt.*	*Dollars per cwt.*	*Dollars per cwt.*	*Dollars per cwt.*	*Dollars per cwt.*	*Dollars per cwt.*	*Dollars per cwt.*
Selling price required/cwt. to cover feed and feeder costs[5]	43.85	53.11	48.09	48.74	46.38	44.90	48.08	48.61	46.60	42.43	38.11	34.91	36.14
Selling price required/cwt. to cover all costs[5]	50.35	60.09	54.58	55.44	52.89	51.24	54.77	55.24	53.06	49.09	44.49	40.98	42.28
Feed cost/100 lb. gain	27.79	35.33	36.34	38.12	37.87	39.01	40.18	42.56	42.75	37.20	34.69	35.00	36.63
Choice slaughter steers-california/cwt.	44.62	43.98	39.69	45.92									
Net margin/cwt.	-5.73	-16.11	-14.89	-9.52									
Prices													
Feeder steer (Good, 400-500 lb. Fort Worth/cwt.)	60.38	71.00	58.72	57.88	53.03	48.34	53.78	51.90	47.28	45.25	39.00	31.62	32.21
Transportation rate/cwt. (100 miles)[6]	.19	.19	.19	.20	.20	.20	.20	.20	.20	.21	.21	.21	.21
Commission fee/cwt.	.50	.50	.50	.50	.50	.50	.50	.50	.50	.50	.50	.50	.50
Barley/bushel[7]	1.90	2.51	2.54	2.64	2.59	2.67	2.75	2.93	2.96	2.49	2.32	2.36	2.51
Alfalfa hay/ton[7]	43.00	44.50	52.50	62.00	67.50	69.00	71.00	73.50	72.50	72.00	67.00	65.00	63.00
41% Cottonseed meal/cwt.[8]	11.50	11.50	12.00	10.50	10.00	10.50	11.00	11.00	10.00	10.00	9.40	9.10	8.70
Urea/ton[8]	105.00	105.00	105.00	105.00	105.00	105.00	105.00	105.00	105.00	190.00	190.00	190.00	190.00
Farm labor/hour[8]	2.24	2.24	2.24	2.30	2.30	2.30	2.36	2.36	2.36	2.41	2.41	2.41	2.49
Interest rate	8.50	8.50	8.50	9.22	9.22	9.22	9.50	9.50	9.50	10.50	10.50	10.50	10.50
Index of prices paid by farmers (1910-14=100)	499	516	512	514	518	524	538	545	549	562	564	568	573

[1] Represents only what expenses would be if all selected items were paid for during the period indicated. The feed ration and expense items do not necessarily coincide with experience of individual feeders. For individual use, adjust expenses and prices for management, production level, and locality of operation. [2] Assumes one hour at twice the labor rate. [3] Adjusted quarterly by the index of prices paid by farmers for commodities, services, interest, taxes, and wage rates. [4] Most cattle are sold F.O.B. the feedlot with a 4% shrink. [5] Sale weight = 984 lbs. (1025 less 4% shrink). [6] Converted from cents per mile for a 44,000 pound haul. [7] Average price received by farmers in California. [8] Average price paid by farmers in California.

many feeder cattle to market, a strengthening feeder cattle market seems unlikely. Also, the higher cost of gain due to high feed prices will reduce the price a feedlot owner is willing or able to pay for feeder cattle.

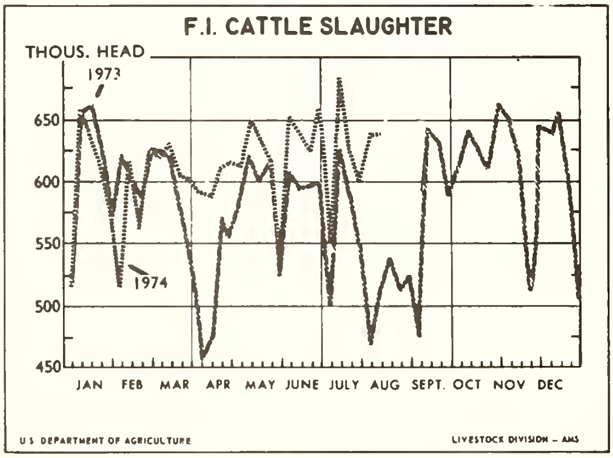

GROSS CATTLE FEEDING MARGINS*

*CURRENT FED CATTLE PRICES PER STEER COMPARED WITH FEEDER CATTLE PRICES PER STEER 6 MONTHS EARLIER

U.S. DEPARTMENT OF AGRICULTURE NEG. ERS 641 74 (6) ECONOMIC RESEARCH SERVICE

Summer Slaughter Up

Federally inspected cattle slaughter in July ran 16 percent higher than last year and further smaller percentage increases are likely in August and September. Beef production during the summer of 1973 was held unusually low during the price control period.


F.I. CATTLE SLAUGHTER

U.S. DEPARTMENT OF AGRICULTURE LIVESTOCK DIVISION – AMS

On July 1, cattle feeders intended to market 2 percent fewer fed cattle during July-September than a year earlier. Cattle on feed in the heavier weight groups that typically supply July-September slaughter were 7 percent fewer than last year or 1972. But the 1973 relationship between cattle on feed and summer marketings was unusual. If summer fed cattle marketings were to run 7 percent under the 1972 level this year, they would still be up 8 percent from last summer. An increase of this magnitude seems unlikely. But the higher slaughter steer prices this summer in conjunction with high feed cost per pound of gain could result in fed cattle being marketed after a shorter than usual feeding period. Also, some of the heavier cattle placed on feed after July 1 could be marketed before October 1. Thus, fed cattle marketings could exceed last year's unusually low level by 2 percent or more.

Cattle on feed, July 1

Weight group	1971	1972	1973	1974
Steers:				
-500 lb.	523	496	536	207
500-699 lb.	1,410	1,672	1,788	1,334
700-899 lb.	3,177	3,395	3,472	2,621
900-1099 lb.	2,159	2,666	2,647	2,455
1100 + lb.	362	473	543	688
Total	7,631	8,702	8,986	7,305
Heifers				
-500 lb.	287	418	361	209
500-699 lb.	1,062	1,237	1,343	807
700-899 lb.	1,586	1,677	1,564	1,299
900-1099 lb.	291	380	427	378
Total	3,226	3,712	3,695	2,693

The biggest uncertainty in summer slaughter supplies lies in the impact of continued dry range conditions on cow slaughter and non-fed steer and heifer slaughter.

Cow slaughter typically increases seasonally in the fall but slaughter this year could be both earlier and much larger than usual. In 1973, with generally favorable pasture and price conditions, cow slaughter was up 4 percent. First half 1974 cow slaughter was slightly higher again. July-September cow slaughter could exceed last summer's level by 6-10 percent.

Last year about 96 percent of all steers and heifers slaughtered had gone through feedlots. But the trend toward feedlot feeding was sharply reversed earlier this year. In the first quarter only 92 percent of the steers and heifers slaughtered had gone through feedlots. In the second quarter this proportion had fallen to 87 percent. Dry ranges and increasing supplies of older yearlings could help boost non-fed steer and heifer slaughter this summer to a million or more head.

On balance, although fed cattle slaughter may only be marginally higher this summer than last, total slaughter could be up 8-10 percent. If drought conditions worsen, total summer slaughter could be up more than 10 percent. But general improvement in range conditions could reduce the number of cows and non-fed cattle slaughtered and hold the summer increase under 8 percent.

Fall Fed Marketings Down

The sharp curtailment in second quarter placements reduced by 29 percent the number of cattle on feed July 1 from last year in weight groups that typically supply October-December fed cattle marketings. But general improvement in the profit picture for cattle feeders, lower feeder cattle prices, and higher slaughter steer prices may boost placements of heavier weight cattle in feedlots during the summer and provide additional fed cattle supplies this fall. Even if placements increase this summer, fall fed marketings could be down 10 percent or more from fall 1973. But if cow slaughter runs 10 percent above the fall of 1973 and non-fed steer and heifer slaughter remains at the expected summer level of about 1 million head, total cattle slaughter this fall will likely exceed the fall of 1973 by 4-6 percent. Lighter dressed weights of slaughter cattle may only raise beef production by 3-5 percent. Like summer, general range and weather conditions will have a significant impact on fall slaughter of non-fed steers, heifers, and cows. Worsening conditions would push non-fed slaughter sharply higher than would be expected with good range and pasture conditions.

Price Outlook

In addition to the usual supply-demand forces, Choice steer prices this summer and fall will be strongly influenced by: (1) the impact of the dry weather on the level of non-fed steer, heifer, and cow slaughter and (2) consumer acceptance of larger quantities of lower grade beef.

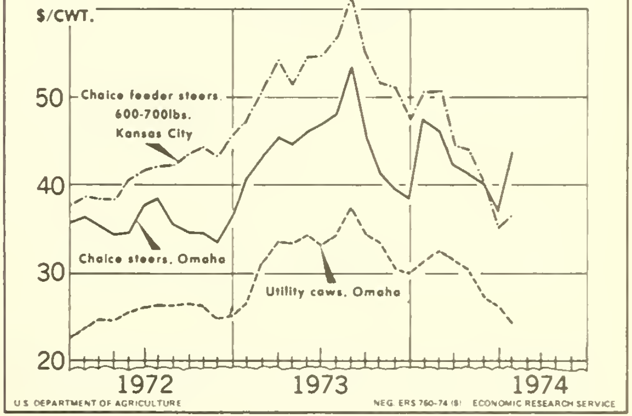
In the absence of large increases in non-fed slaughter, Choice grade slaughter steer prices would likely continue to climb through the summer, and could exceed $50 per 100 pounds this fall because sharply lower supplies of fed cattle are in prospect. But price rises for fed cattle would be affected by large increases in the slaughter of non-fed livestock. If this is the case, then consumer preference for Choice grade beef will be an important factor. If retail marketing policies allow, and consumers readily switch to lower grade beef at a lower price, then Choice steer prices could decline this fall despite smaller supplies of fed cattle as the total beef supply increases from the summer level.

Choice steer prices per 100 pounds, Omaha

Month	1970	1971	1972	1973	1974
	Dol.	*Dol.*	*Dol.*	*Dol.*	*Dol.*
January	28.23	29.11	35.74	40.62	47.68
February	29.30	32.23	36.19	43.35	46.12
March	30.97	31.81	35.13	45.55	42.36
April	30.64	32.44	34.53	44.97	41.18
May	29.52	32.88	35.66	46.05	40.04
June	30.29	32.39	37.88	46.98	37.33
July	31.12	32.44	38.21	48.05	43.98
August	30.14	33.24	35.66	53.61	
September ...	29.32	32.62	34.85	45.45	
October	28.67	32.34	34.85	41.79	
November ...	27.21	33.58	33.56	39.88	
December ...	26.71	34.40	36.79	38.90	
Average	29.34	32.42	35.83	43.89	

Choice steer prices averaging near $44-$46 are likely this summer while fed cattle marketings remain slightly higher than a year ago. During July Choice steers at Omaha averaged $43.98 per 100 pounds. Choice slaughter steers during October-December may average $1-$2 under the summer level but the prices of other classes of cattle, Good grade and below, could be sharply lower than mid-August levels. Last year, for example, Utility cow prices ran about $11 under Choice steer prices. By the end of July this year the margin had widened to $20 per 100 pounds. Futher increases in this margin are possible. Thus, the Choice slaughter steer market may not be as representative of the general level of cattle prices as it has been in the past.

CATTLE PRICES



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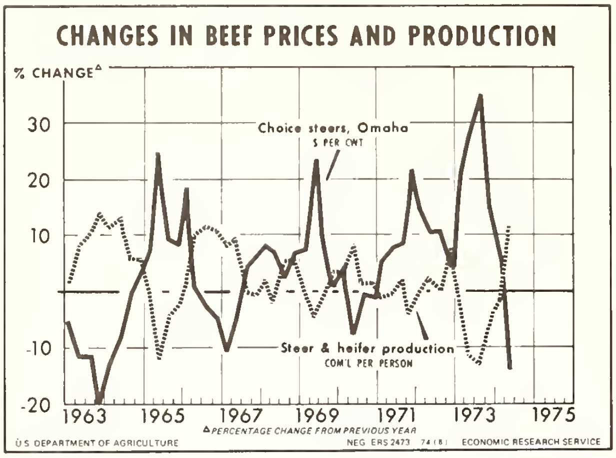
Forced Marketings

During the last 18 months the cattle industry has been buffeted by consumer boycotts, a ban on DES, various phases and stages of price controls, skyrocketing feed grain and protein prices, double digit inflation, and marginal growth in the general economy. Prospects for the next year or two are potentially even more disruptive.

The cattle inventory has grown to a record number with all of the increase in beef cattle. The possibility of continuing dry weather, further taxing available supplies of roughages and concentrates, is the basis for more uncertainty in future supplies and prices than any time in the past year and a half, or perhaps even in the past decade.

If dry conditions force many cattle to market, where will the extra cattle go? Three alternatives are: (1) directly to slaughter, (2) placement into feedlots, and (3) movement to some other part of the country where pasture and forage supplies are more plentiful. All three are likely to some extent, depending on the class of cattle. The continued increase in the beef cow herd in recent years, with cow slaughter actually



CHANGES IN BEEF PRICES AND PRODUCTION

ΔPERCENTAGE CHANGE FROM PREVIOUS YEAR

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declining, suggests the age of the cow herd is relatively old. Most of the older cows culled out of beef herds this fall will probably go directly to slaughter. Some of the younger cows may be moved to other areas of more abundant grass and roughages. Steers and heifers on grasslands weighing more than 800 pounds may also go directly to slaughter. Yearling cattle weighing 600-800 pounds may be moving into feedlots at lower prices. Some calves weighing 400-600 pounds will likely remain on the available pastureland although some further increase in calf slaughter is likely in the second half. A few calves may also go into feedlots.

Possible Alternatives

Price trends in cattle later this year and next will depend largely on the weather which affects the feed grain harvest and prices, and pasture conditions. Poor grazing conditions will push the general level of cattle prices much lower as total slaughter increases sharply. Most of the weakness would be in cows and calves.

General improvement in moisture conditions, however, could further delay increases in cow slaughter and slow the rate of non-fed cattle marketings. The result would be higher Choice steer prices later this year and early 1975 because of shortages of fed cattle. In this event Choice steer prices would rise into the fall and could reach or exceed $50 per 100 pounds.

Implications of a Short Corn and Soybean Crop

Drought conditions affecting the cattle industry are not limited to pasture and range conditions. Reduced corn and soybean crops with sharply higher feed prices will have a substantial impact on the livestock and poultry industry and could set off a chain of events that may reverberate through the livestock industry for several years.

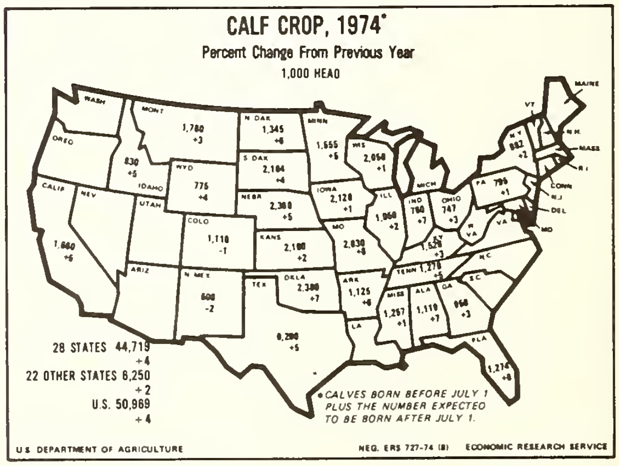
The level of meat output will not be affected much for the remainder of 1974 because of the lengthy production cycle for cattle and the time required to change production plans for hogs. But livestock supplies in 1975 will likely reflect a further shift away from fed beef, and lower supplies of pork and broilers. Non-fed beef production will increase enough to offset the reduction in fed beef output. For with a record large cattle inventory, many cattle would be forced from the range by the same drought conditions which reduced the corn crop.

The continuation of exceptionally high grain prices would be another signal to grain-livestock producers that it is less profitable to market grain through livestock than to sell it for cash. Thus, the shift away from joint grain-livestock enterprises to cash grain enterprises may intensify, especially in the Corn Belt.

Small corn and soybean crops this year will have the most impact on livestock and poultry output in 1975 and 1976. With crop production low, livestock and poultry producers will be faced with high feed costs at least until after mid-1975. Higher feed costs this summer and fall will likely reduce broiler and milk output later this year and pull pork output further down in 1975. Also, the number of cattle placed on feed later this year and in 1975 would be held to a low level.

Implications of Herd Buildup

The Nation's cattle herd has been building rapidly for several years as stockmen delayed selling cows and have been holding back young heifers to expand their breeding herds in response to rising feeder cattle prices. The total cattle herd had risen to 127½ million head at the beginning of this year, up 13 million head in just 3 years. And another 6 to 8 million are being added this year. Also, the calf crop will approach 51 million head this year, up 4 million head in 3 years.



CALF CROP, 1974*

Percent Change From Previous Year

1,000 HEAD

*CALVES BORN BEFORE JULY 1 PLUS THE NUMBER EXPECTED TO BE BORN AFTER JULY 1.

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Increases in the cattle herd have not been accompanied by an uptrend in slaughter. Total cattle and calf slaughter has remained at about the same level since the mid-1960's. So there is a very large supply of feeder cattle that will support higher slaughter rates during the next few years. Slaughter will swell further as stockmen become discouraged with lower feeder cattle prices and start taking a closer look at the size of their cow herds.

Cattle slaughter in 1975 could be up 10 to 12 percent with normal weather. But continued dry weather this fall and winter would likely force a larger than normal movement of both cows and young cattle to market. Most of these cows would be slaughtered. Feed costs would be high, so cattle feeders would be hesitant to fill lots and stockmen would not be financially inclined or able to carry many cattle through the winter. Many steers and heifers would likely be slaughtered off grass and roughage. The result would be large supplies of low grade beef in late 1974 and even larger supplies in 1975. The surge in beef output would also likely hold prices of hogs and broilers down which would mean that producers of these meats would have to cut back output rather sharply in the face of higher feed costs. The current wide margin between cow prices and fed steer prices would likely continue, and feeder cattle prices would remain low.

The longevity and severity of the current drought condition will be an extremely important factor in cattle slaughter rates during the next 2 years. Improved, favorable conditions would allow an orderly increase in cattle slaughter, while worsening conditions on the range could force a tremendous movement of cattle to slaughter, especially in the summer and fall next year.

HOGS

Hog prices advanced $14 per 100 pounds in just 3 weeks during late June and early July as weekly slaughter rates dropped sharply and the cattle market strengthened. Federally inspected hog slaughter in July ran 14 percent above a year earlier, but substantially below the spring months. August and September hog slaughter is expected to remain well above last year, when hog supplies were held unusually low near the end of the beef price control period. Hog prices are expected to average in the mid-$30's this summer before the seasonally increasing hog slaughter and larger beef supplies again turn the market lower this fall.

Hog prices per 100 pounds, 7 markets[1]

Month	Barrows and gilts			Sows		
	1972	1973	1974	1972	1973	1974
	Dol.	*Dol.*	*Dol.*	*Dol.*	*Dol.*	*Dol.*
Jan.	24.84	32.54	40.59	20.41	26.39	33.93
Feb.	25.61	36.23	39.73	22.90	31.22	34.21
Mar.	23.56	38.13	34.88	21.43	34.47	31.42
Apr.	22.89	35.56	30.52	20.89	32.33	26.60
May	25.32	36.35	26.09	22.12	32.46	21.52
June	26.78	38.55	27.40	22.43	33.87	21.37
July	28.57	46.64	36.31	23.59	40.56	28.12
Aug.	28.86	56.68		25.22	50.62	
Sept.	29.10	43.79		25.92	40.34	
Oct.	28.09	42.12		25.05	37.66	
Nov.	27.79	40.97		23.04	36.14	
Dec.	30.78	39.79		24.26	32.53	
Av.	26.67	40.27		23.26	35.94	

[1] Average for all weights at Midwest markets.

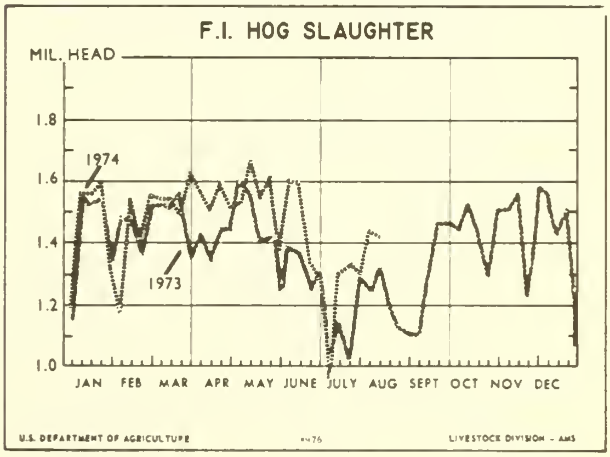
Second Half Slaughter to Remain Up

January-June hog slaughter totaled 41.2 million head, 4 percent more than last year. With slaughter hogs averaging 6 pounds heavier than 1973, first half pork production was up 7 percent. By early August, average slaughter weights began to slip back to near year-earlier levels.

On June 1 there were 1 percent fewer market hogs on farms than last year. Market hogs weighing over 60 pounds were up 1 percent, while hogs under 60 pounds were 3 percent lower. Hogs in the heavier weight groups are supplying the bulk of summer slaughter while hogs weighing less than 60 pounds on June 1 will be marketed this fall. However, summer slaughter will run much larger relative to a year earlier than suggested by the percentage change of heavyweight hogs on hand June 1.

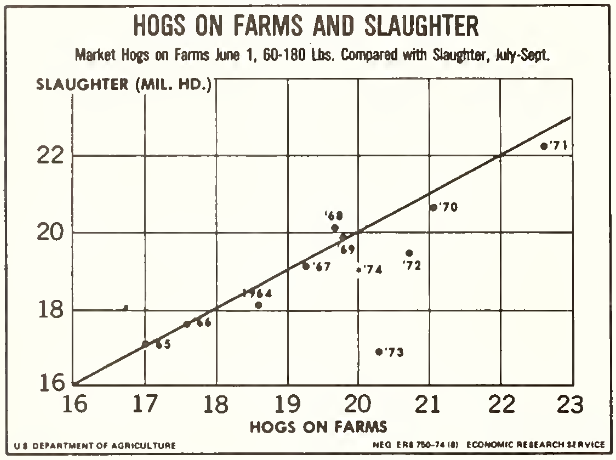
During much of 1973, slaughter ran below levels suggested by inventory numbers. Slaughter in the first quarter of this year pretty much reflected the number of market hogs on hand last December 1.

But hog slaughter this spring was up more than earlier expected, based on 1973 marketing patterns; thus prices were lower. Farmers in the 10 Corn Belt States last March had 5 percent more market hogs in the heavier weight groups (60-180 lbs.) than in March 1973 and 3 percent more than March 1972. Spring slaughter was expected to be up only slightly, reflecting the small increase in market hogs on hand, continuing the slower 1973 marketing patterns.

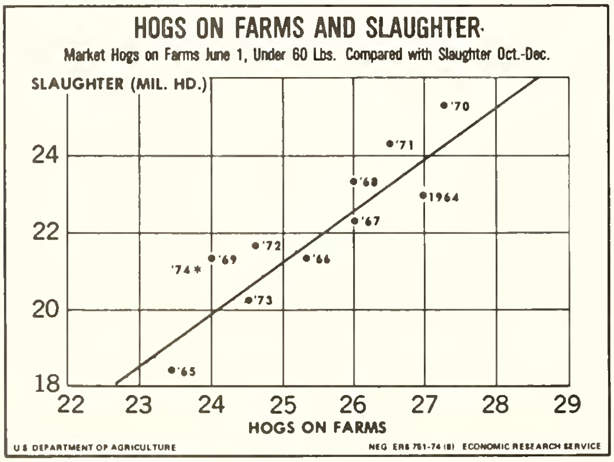

F.I. HOG SLAUGHTER

But the slowed marketing rates of last year did not continue. More normal relationships between the number of market hogs on farms and subsequent slaughter prevailed, resulting in April-June slaughter slightly lower than 1972 but 8 percent larger than 1973. Barrow and gilt prices averaged $28 during April-June

This kind of slaughter pattern is expected to continue this summer. The relationship between July-September hog slaughter and the number of hogs weighing 60-180 pounds on June 1 is shown on the accompanying chart. The June 1 inventory of hogs in this weight group of 20 million head would suggest a summer slaughter of 20 million head. But observations from more recent years indicate a somewhat lower slaughter rate. Hogs in this weight group numbered 3 percent fewer than 1972, which was relatively free of disruptive forces. If summer slaughter runs 3 percent below the 1972 summer level, then there would be a potential slaughter of about 18.9 million hogs—up 12 percent from last year.



June 1 market hogs under 60 pounds (23.9 million head) will supply the bulk of October-December hog slaughter. This number was 3 percent fewer than 1973 or 1972. If fall hog slaughter only drops 3 percent short of the fall 1972 level, this would yield nearly 21 million hogs, up 4 percent from last year.



The average relationship between fall slaughter and the number of market hogs under 60 pounds on hand June 1 can also be shown graphically. This average relationship yields an expectation of about 20.5 million hogs for slaughter from a June 1 inventory of 24 million head. If third quarter slaughter from the 60-180 pounds weight group is below usual slaughter levels, then hog slaughter this fall could be a little more than indicated—more like 21 million head.

These increases, of course, assume a return to more normal marketing patterns this year which may be an optimistic assumption, especially considering the current conditions in the grain market.

Prices to Decline Seasonally

While pork supplies will not be particularly large during the rest of the year, there will be a substantial increase in lower grade beef production, which competes more directly with pork products than does Choice grade beef. This may keep a lid on hog price increases.

Mid-August prices of barrows and gilts may represent the seasonal peak. Prices will probably show a slight downward drift throughout the remainder of summer. Federally inspected slaughter will have to average about 1.4 million head of hogs per week if anticipated third quarter pork production is to be realized. This means that a further increase is expected from the early August level, which likely will push prices down a little; however, third quarter prices are expected to average $34-$36 at 7 markets. With the seasonal increase in supplies this fall, prices are expected to decline and average in the lower $30's during October-December.

Prospects for 1975

On June 1 hog producers intended to have 5,760,000 sows farrow during June-November—down 2 percent from a year earlier. Hog production for the first half of 1975 is nearly committed since the gestation period for hogs is nearly 4 months, and it takes another 6 months to reach slaughter weights. With normal gains and average slaughter weights, first half slaughter supplies could be down 5 percent or more. With high feed prices in prospect, feeding programs could be altered to reduce costs and slow gains. This could result in even further declines in first half 1975 slaughter than now anticipated. Prices would rise back up into the mid-$30's, but meet downward pressure from larger beef supplies.

The breeding season for the 1975 spring pig crop is just beginning. With corn prices climbing to record levels, cutbacks in sow farrowings for the December-February pig crop are likely. About 40 percent of the spring pigs are usually born during this period with the remainder in March-May.

Table 5.—Corn Belt Hog Feeding[1]

Selected costs at current rates[2]

Purchased during Marketed during	July 73 Nov. 73	Aug. Dec.	Sept. Jan. 74	Oct. Feb.	Nov. Mar.	Dec. Apr.	Jan. 74 May	Feb. June	Mar. July	Apr. Aug.	May Sept.	June Oct.	July Nov.
	Dollars per head	*Dollars per head*	*Dollars per head*	*Dollars per head*	*Dollars per head*	*Dollars per head*	*Dollars per head*	*Dollars per head*	*Dollars per head*	*Dollars per head*	*Dollars per head*	*Dollars per head*	*Dollars per head*
Expenses													
40 lb. feeder pig	40.81	45.50	36.75	38.25	37.10	32.33	34.70	33.25	32.50	32.19	22.10	17.31	21.50
Corn (11 bu.)	23.21	30.58	23.21	23.21	24.20	26.40	28.60	30.69	29.37	26.29	27.06	28.60	32.78
Protein supplement (130 lb.)	19.50	22.04	17.29	16.12	14.89	16.58	16.64	15.60	14.43	13.52	12.42	11.96	12.48
Labor & management (1.3 hrs.)	5.67	5.67	5.67	5.75	5.75	5.75	5.88	5.88	5.88	5.98	5.98	5.98	6.14
Vet medicine[3]	1.18	1.22	1.21	1.22	1.23	1.24	1.28	1.29	1.30	1.33	1.34	1.34	1.36
Interest on purchase (4 mo.)	1.16	1.29	1.04	1.18	1.14	.99	1.10	1.05	1.03	1.13	.77	.61	.75
Power, equip, fuel, shelter, depreciation[3]	2.87	2.97	2.95	2.96	2.98	3.02	3.10	3.14	3.16	3.24	3.25	3.27	3.30
Death loss (4% of purchase)	1.63	1.82	1.47	1.53	1.48	1.29	1.39	1.33	1.30	1.29	.88	.69	.86
Transportation (100 miles)	.42	.42	.42	.44	.44	.44	.44	.44	.44	.46	.46	.46	.46
Marketing expenses	1.08	1.08	1.08	1.08	1.08	1.08	1.10	1.10	1.10	1.10	1.10	1.10	1.12
Miscellaneous & indirect costs[3]	.30	.31	.30	.30	.31	.31	.32	.32	.33	.33	.33	.33	.34
Total	97.83	112.90	91.39	92.04	90.60	89.43	94.55	94.09	90.84	86.86	75.69	71.65	81.09
	Dollars per cwt.	*Dollars per cwt.*	*Dollars per cwt.*	*Dollars per cwt.*	*Dollars per cwt.*	*Dollars per cwt.*	*Dollars per cwt.*	*Dollars per cwt.*	*Dollars per cwt.*	*Dollars per cwt.*	*Dollars per cwt.*	*Dollars per cwt.*	*Dollars per cwt.*
Selling price/cwt. required to cover feed and feeder costs (220 lbs.)	37.96	44.60	35.11	35.26	34.63	34.23	36.34	36.15	34.68	32.73	27.99	26.30	30.35
Selling price/cwt. required to cover all costs (220 lbs.)	44.47	51.32	41.54	41.84	41.18	40.65	42.98	42.77	41.29	39.48	34.40	32.57	36.86
Feed cost per 100 lb. gain	23.73	29.23	22.50	21.85	21.72	23.88	25.13	25.72	24.33	22.12	21.93	22.53	25.14
Barrows and gilts 7 markets/cwt.	40.97	39.79	40.59	39.73	34.88	30.52	26.09	27.40	36.31				
Net margin/cwt.	-3.50	-11.53	-.95	-2.11	-6.30	-10.13	-16.89	-15.37	-4.98				
Prices													
40 lb. feeder pig (So. Missouri)	40.81	45.50	36.75	38.25	37.10	32.33	34.70	33.25	32.50	32.19	22.10	17.31	21.50
Corn[4]/(bu.)	2.11	2.78	2.11	2.11	2.20	2.40	2.60	2.79	2.67	2.39	2.46	2.60	2.98
29% protein supplement[5]/cwt.	15.00	16.95	13.30	12.40	11.45	12.75	12.80	12.00	11.10	10.40	9.55	9.20	9.60
Labor and management[6]/hr.	4.36	4.36	4.36	4.42	4.42	4.42	4.52	4.52	4.52	4.60	4.60	4.60	4.72
Interest rate (annual)	8.50	8.50	8.50	9.22	9.22	9.22	9.50	9.50	9.50	10.50	10.50	10.50	10.50
Transportation rate (/cwt. 100 miles)[7]	.19	.19	.19	.20	.20	.20	.20	.20	.20	.21	.21	.21	.21
Marketing expenses[8]	1.08	1.08	1.08	1.08	1.08	1.08	1.10	1.10	1.10	1.10	1.10	1.10	1.12
Index of prices paid by farmers (1910-14=100)	499	516	512	514	518	524	538	545	549	562	564	568	573

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[1] Although a majority of hog feeding operations in the Corn Belt are from farrow to finish, relative fattening expenses will be similar. [2] Represents only what expenses would be if all selected items were paid for during the period indicated. The feed rations and expense items do not necessarily coincide with the experience of individual feeders. For individual use, adjust expenses and prices for management, production level, and locality of operation. [3] Adjusted quarterly by the index of prices paid by farmers for commodities, services, interest, taxes and wage rates. [4] Average price received by farmers in Iowa and Illinois. [5] Average prices paid by farmers in Iowa and Illinois. [6] Assumes an owner-operator receiving twice the farm labor rate. [7] Converted to cents/cwt. from cents/mile for a 44,000 pound haul. [8] Yardage plus commission fees at a midwest terminal market.

Hog-corn price ratio, Omaha basis

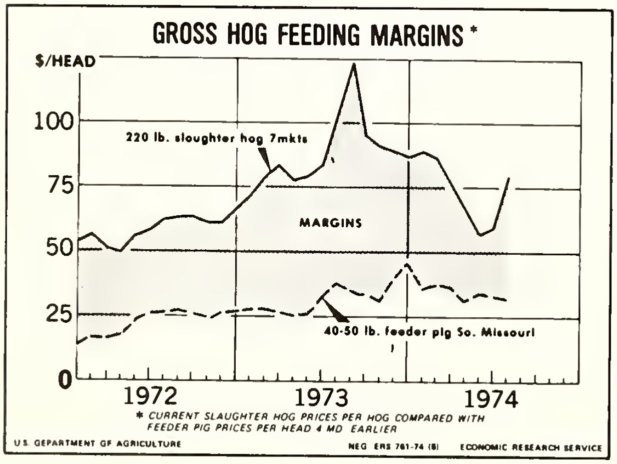
Month	1971	1972	1973	1974
January	11.0	19.7	21.5	14.8
February	13.2	20.6	23.3	13.4
March	11.6	19.0	25.4	12.5
April	11.3	18.2	23.4	12.1
May	11.8	19.7	19.5	10.2
June	12.2	21.5	16.9	10.0
July	13.9	22.8	19.9	11.2
August	15.1	23.5	20.8	
September	16.3	22.6	18.4	
October	17.2	21.8	17.8	
November	16.7	20.6	16.9	
December	16.6	20.5	15.7	
Average	13.6	20.6	19.3	

Hog inventories are at the lowest level since 1969 and an expansion phase in hog numbers is overdue. But producers' reaction to developments in corn prices will be overriding. It will be extremely tempting for hog farmers who have a corn crop to sell their corn on the cash market rather than carrying it into the next winter for hog feeding. Those hog producers who get little or no corn crop this fall because of drought conditions will not likely buy corn at record prices to feed hogs.

If the current high levels of feed and corn prices were to break by early fall, producers may not further cut March-May farrowings. If high corn prices persist through the fall, breeding for the entire spring pig crop will be substantially reduced.

Feeder Pigs

The feeder pig market has been trending lower since early this year. Feeder pigs sold for $38 per head or more in Southern Missouri earlier this year but had dropped to $13 in mid-June before a higher slaughter hog market boosted them to $23 in mid-July. By August, however, mounting pressure from increasing corn prices had reduced feeder pig prices back down to $18 per head.



* CURRENT SLAUGHTER HOG PRICES PER HOG COMPARED WITH FEEDER PIG PRICES PER HEAD 4 MO EARLIER

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Feeder pig prices will likely remain low and could decline further if corn prices rise this fall. Feeder pigs purchased in August at $18 and corn at $3.50 per bushel requires a selling price of over $31 just to pay feed and feeder pig costs.

Gross hog feeding margins[1]

Year	Hogs 7 markets	Feeder pigs So. Missouri	Margins
	$1 per head	*$1 per head*	*$1 per head*
1972			
January	54.65	14.34	40.31
February	56.34	16.94	39.40
March	51.83	16.62	35.21
April	50.36	18.33	32.03
May	55.70	24.69	31.01
June	58.83	26.25	32.58
July	62.85	26.94	35.91
August	63.49	27.63	35.86
September	64.02	26.63	37.39
October	61.80	24.56	37.24
November	61.14	26.50	34.64
December	67.72	26.00	41.72
1973			
January	71.59	27.85	43.74
February	79.71	28.63	51.08
March	83.89	26.50	57.39
April	78.23	25.56	52.67
May	79.97	26.38	53.59
June	84.81	33.60	51.21
July	102.61	38.69	63.92
August	124.70	34.97	89.73
September	96.34	34.81	61.53
October	92.66	31.90	60.76
November	90.13	40.81	49.32
December	87.54	45.50	42.04
1974			
January	89.30	36.75	52.55
February	87.41	38.25	49.16
March	76.74	37.10	39.64
April	67.14	32.33	34.81
May	57.40	34.70	22.70
June	60.28	33.25	27.03
July	79.88	32.50	47.38

[1] Current 220 lb. Slaughter Hog compared with a 40-50 lb. Feeder Pig purchased 4 months earlier.

SHEEP AND LAMBS

The 1974 lamb crop is down 8 percent from last year to 10.6 million head, continuing the decline in the U.S. sheep and lamb industry. Sheep and lamb slaughter during the first 6 months of the year amounted to 4.3 million head, down 8 percent from year-earlier levels.

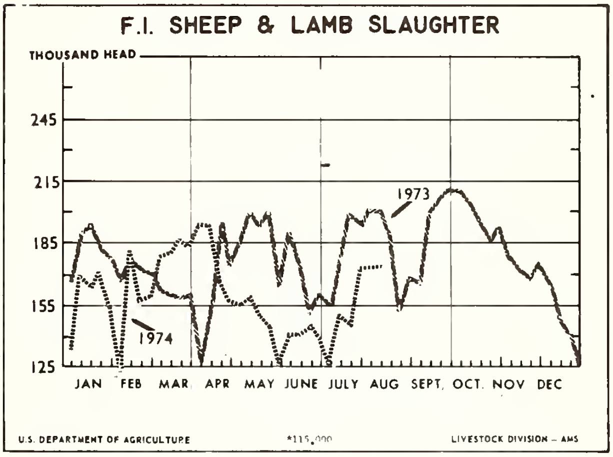
Lamb Slaughter to be Down

After accounting for ewe cull and slaughter of fed lambs on hand January 1, it appears that about 1.3 million lambs from this year's crop were slaughtered in the first half of 1974. Assuming about 2 million head of the 1974 lamb crop will be held for breeding

Table 6.—Calf, Lamb and Spring Pig crops for 1974 ranked according to State

Rank	Calf crop		Lamb crop		Dec.-May Pig Crop	
	State	Number	State	Number	State	Number
		1,000 head		*1,000 head*		*1,000 head*
1	Texas	6,200	Texas	1,600	Iowa	10,042
2	Missouri	2,830	Wyoming	892	Illinois	5,452
3	Oklahoma	2,380	South Dakota	806	Missouri	3,396
4	Nebraska	2,360	California	750	Indiana	3,157
5	South Dakota	2,184	Idaho	624	Minnesota	3,110
6	Iowa	2,120	Utah	578	Nebraska	2,621
7	Kansas	2,100	Colorado	550	South Dakota	1,842
8	Wisconsin	2,050	Montana	537	North Carolina	1,577
9	Montana	1,780	New Mexico	400	Ohio	1,567
10	California	1,660	Ohio	399	Kansas	1,530
11	Minnesota	1,555	Iowa	365	Georgia	1,335
12	Kentucky	1,520	Oregon	323	Wisconsin	1,320
13	North Dakota	1,345	Minnesota	304	Kentucky	1,066
14	Florida	1,274	North Dakota	251	Tennessee	810
15	Tennessee	1,270	Arizona	238	Alabama	752
16	Mississippi	1,257	Kansas	180	Texas	688
17	Arkansas	1,125	Illinois	176	Michigan	585
18	Alabama	1,110	Missouri	175	Pennsylvania	468
19	Colorado	1,110	Nebraska	170	South Carolina	475
20	Illinois	1,050	Virginia	170	Mississippi	405
21	New York	982	Indiana	150	Virginia	385
22	Georgia	950	Michigan	143	North Dakota	338
23	Idaho	830	Nevada	121	Oklahoma	292
24	Pennsylvania	795	West Virginia	120		
25	Wyoming	775	Pennsylvania	116		
26	Indiana	760				
27	Ohio	747				
28	New Mexico	600				
	22 Other States	6,250	25 Other States	469	27 Other States	1,890
	United States	50,969		10,607		45,103

stock, average death loss, and that another 2.5 million will be put on feed late this fall, only 3.7 million head remain to be slaughtered during the last half. Cull ewes will add another 400,000 head to commercial sheep and lamb slaughter. This would result in an average weekly slaughter of about 155,000 head. Weekly slaughter rates averaged about this level during July.



Lamb slaughter will likely increase seasonally this fall as the run starts off of summer pastures and ranges. But the percentage of grass fat lambs ready for slaughter likely will run below a year earlier due to dry weather conditions. The small number of lambs available will result in lamb slaughter down 10-20 percent from the last half of 1973.

Commercial sheep and lamb slaughter for 1974 may total 8.3-8.5 million head compared with 9.6 million head in 1973.

Sheep and Lamb Inventory will still Decline

Assuming a normal death loss and total slaughter (including farm slaughter) of 8.6 million head, the January 1, 1975 inventory of all sheep and lambs would be about 15¾ million head, down about 775,000 head from last January.

Slaughter Prices to Remain Above Year-Earlier Levels

Sheep and lamb slaughter averaging about 155,000 head per week during the second half would represent a decline of 15-17 percent from year-earlier slaughter. Given the specialty nature of demand for lamb, prices may not be affected as much as other meats by changes in general economic conditions. However, lamb prices tend to move with beef prices. Thus, lamb prices are not expected to increase much because of larger beef supplies and lower beef prices. Second half slaughter lamb prices are expected to range between $36-$44 per 100 pounds.

Feeder Lamb Prices Lower

The cost of gain is running near $45-$50 per hundredweight. Thus, feeder lambs may be under more pressure than fed lambs. Prices could run $5.00 per cwt. under slaughter prices, particularly for the heavier feeders. Depending on rainfall conditions, availability of wheat pasture will tend to bolster feeder prices. Continued dry conditions would tend to put downward pressures on feeder prices due to the portion of lambs needing further feeding, lack of fall and winter pastures, and probable higher feed grain prices.

MEAT SITUATION AND PRICES

First half 1974 commercial red meat production was 18.4 billion pounds, up 6 percent from the first half last year. Nearly all of the increase came in the second quarter when beef production was up 12 percent and pork production was up 11 percent.

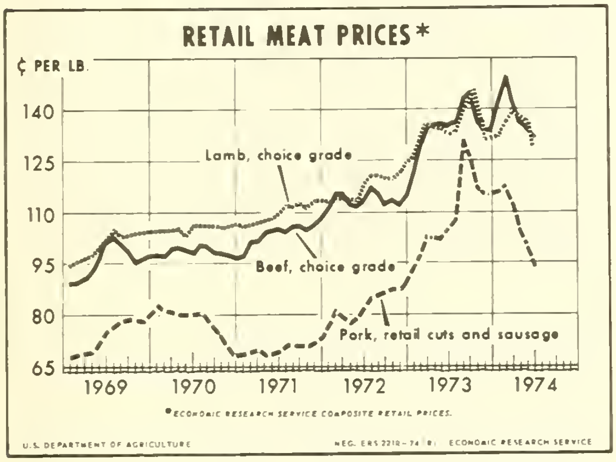
Meat consumption by quarters[1]

Year	First	Second	Third	Fourth	Total
	Pounds per person	*Pounds per person*	*Pounds per person*	*Pounds per person*	*Pounds per person*
Beef					
1969	27.2	26.7	28.6	28.3	110.8
1970	28.3	27.9	29.0	28.5	113.7
1971	27.7	28.1	29.3	27.9	113.0
1972	28.2	28.9	29.4	29.6	116.1
1973	28.0	26.2	26.8	28.6	109.6
1974[2]	28.0	28.8			
Veal					
1969	0.9	0.8	0.8	0.8	3.3
1970	.8	.7	.7	.7	2.9
1971	.7	.6	.7	.7	2.7
1972	.6	.5	.5	.6	2.2
1973	.5	.4	.4	.5	1.8
1974[2]	.5	.4			
Pork					
1969	17.0	16.0	15.5	16.5	65.0
1970	15.4	15.6	16.3	19.1	66.4
1971	18.3	17.8	18.0	18.9	73.0
1972	17.7	16.6	15.8	17.3	67.4
1973	16.0	15.4	14.0	16.2	61.6
1974[2]	16.5	17.2			
Lamb & Mutton					
1969	0.9	0.8	0.9	0.8	3.4
1970	.9	.9	.8	.7	3.3
1971	.8	.8	.8	.7	3.1
1972	.8	.9	.9	.7	3.3
1973	.7	.7	.7	.6	2.7
1974[2]	.6	.6			
Red Meat					
1969	46.0	44.3	45.8	46.4	182.5
1970	45.4	45.1	46.8	49.0	186.3
1971	47.5	47.3	48.8	48.2	191.8
1972	47.3	46.9	46.6	48.2	189.0
1973	45.2	42.7	41.9	45.9	175.7
1974[2]	45.6	47.0			

[1] Total consumption including farm, 50 States. [2] Preliminary.

The first-half wholesale meat price index was up 1 percent and the retail meat price index averaged 10 percent higher. The index of prices received by farmers for meat animals, however, was down 7 percent from the first half of 1973. Although wholesale and retail prices declined in the second quarter, that did not offset their sharp increase during the first quarter, nor did it fully reflect the sharply lower livestock prices.

Wholesale and retail prices of beef and pork this summer will likely be higher than in the spring, reversing the declining trend of March-June. Even though retail meat prices will trend higher this summer, they aren't likely to exceed last summer's high levels.


RETAIL MEAT PRICES*

*ECONOMIC RESEARCH SERVICE COMPOSITE RETAIL PRICES.

Prospects for Beef

Although beef production this summer could exceed last summer's unusually low level by 8-10 percent, the supplies will likely be seasonally less than the spring level, pushing beef prices higher than in the spring.

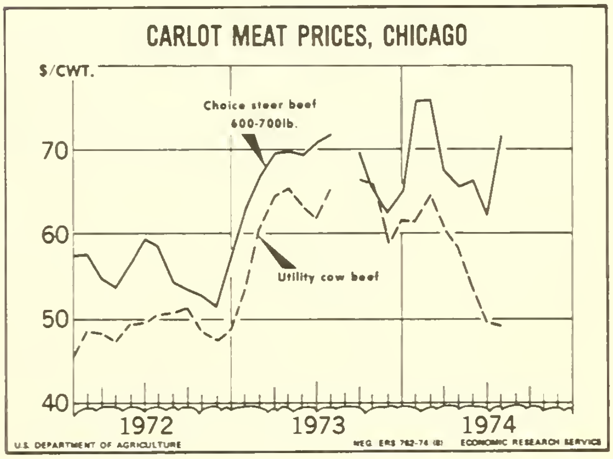
Large increases in beef production this past spring, from winter and year-earlier levels, pushed retail beef prices lower. They averaged $1.35 per pound during April-June—7 percent lower than in January-March. But sharply higher cattle prices in late June and early July are being reflected in higher retail beef prices in July and August.

In October-December, however, retail prices are expected to trend lower again as beef production increases from summer and year-earlier levels.

Second-half 1974 beef production is expected to be up 6 percent from last year. Total cattle slaughter could be up more than that, but the reduced dressed weight of cattle slaughter will keep increases in beef production from reaching the level that cattle slaughter would indicate. A larger proportion of cattle slaughtered later this year will be cows and non-fed steers and heifers that typically have lower dressed weights than cattle marketed out of feedlots.

Choice beef could be in relatively tight supply by year-end, but the reduction in fed beef will be more than offset by larger supplies of beef grading Good or lower.

Recent price trends in the wholesale beef trade have begun to reflect this change in the composition of beef supplies. In early August, Choice grade 600-700 pound steer beef carcasses were selling for $75 per 100 pounds, up from a low mid-June price of $58.35. But Utility cow beef in mid-July at $46 per 100 pounds was the cheapest for 1974 and $2 under mid-June prices, when the slaughter cattle market was at its lowest level for the year. The early August spread of about $26 per 100 pounds between Choice steer beef and cow beef compared with $2-$6 spreads through 1973 and earlier this year.


CARLOT MEAT PRICES, CHICAGO

With drought conditions forcing many cows from the range this summer and fall, and with prospective shorter supplies of Choice cattle this fall, this price spread will likely remain large for the rest of 1974.

This implies very little easing by year-end in consumer prices of Choice grade preferred cuts of beef, but lower hamburger prices. The strength of continued consumer preference for Choice grade beef will determine how much the larger supplies of lower grade beef can pull down Choice grade meat prices. Considering the current status of the general economy and the pinch on consumer incomes because of inflation, many consumers will likely choose lower grade beef if it is offered at lower relative prices. Also, the lower grade of beef marketed this fall will carry less fat than Choice beef usually does, requiring less trimming, which will be welcomed by consumers. Earlier this year a number of excessively fat and wasty beef cattle were slaughtered as cattle feeders waited for improved market prices.

Table 7.—Average retail price of specified meat cuts, per pound, by months, 1971 to date

Year and Item	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
	Cents	*Cents*	*Cents*	*Cents*	*Cents*	*Cents*	*Cents*	*Cents*	*Cents*	*Cents*	*Cents*	*Cents*
Beef												
Porterhouse steak												
1971	156.7	158.3	161.5	164.3	166.2	169.7	172.9	172.9	174.8	171.8	169.7	172.0
1972	176.3	180.8	181.3	177.8	175.3	180.1	187.1	187.3	184.9	180.2	182.0	179.7
1973	187.7	197.1	201.4	204.4	204.1	206.4	207.7	216.7	216.3	207.6	202.4	200.2
1974	201.3	214.7	211.5	206.0	204.1	206.6						
Round steak												
1971	128.2	131.5	133.7	137.2	136.6	137.7	136.9	138.0	138.8	138.2	137.8	139.1
1972	143.9	151.0	151.3	147.4	143.7	145.9	151.0	150.7	147.1	145.9	147.7	146.6
1973	155.9	167.8	174.6	174.8	173.8	173.9	176.3	187.7	188.5	175.8	174.7	171.4
1974	176.7	193.4	187.3	178.8	175.6	174.7						
Rib roast												
1971	114.5	110.8	114.4	115.0	117.7	119.6	120.5	121.1	122.0	120.6	120.1	122.9
1972	126.8	130.5	131.4	129.6	128.1	128.2	132.2	132.2	130.2	128.8	127.8	128.4
1973	137.2	142.3	148.6	150.9	152.4	153.4	154.4	160.1	161.5	157.8	154.5	153.8
1974	154.8	163.4	159.8	154.7	153.3	152.0						
Rump roast												
1971	128.1	131.1	133.1	135.6	136.2	136.3	134.6	136.4	136.2	137.6	136.2	136.5
1972	141.0	148.1	149.1	146.0	142.1	145.3	149.3	150.1	147.0	145.7	146.3	145.8
1973	153.7	164.4	169.5	169.8	169.7	170.2	171.6	181.7	182.3	172.1	170.8	167.3
1974	171.8	186.9	182.0	174.8	172.2	171.6						
Chuck roast												
1971	69.5	72.1	75.3	75.8	75.5	75.6	75.5	76.0	75.8	75.7	75.8	77.6
1972	79.1	84.2	85.1	83.0	80.7	79.8	83.5	84.6	82.2	81.2	81.1	81.1
1973	85.3	96.1	100.6	103.3	103.6	103.3	103.9	114.2	115.0	106.3	101.8	100.5
1974	101.0	114.7	113.0	102.7	97.4	95.0						
Hamburger												
1971	65.7	66.1	67.3	67.8	67.9	68.7	68.6	68.6	69.2	68.9	69.0	69.7
1972	70.6	73.2	74.1	73.8	73.5	74.1	75.1	76.4	75.3	75.7	75.4	75.2
1973	78.2	83.9	91.3	94.2	94.6	95.3	94.8	103.8	106.2	104.2	101.5	100.4
1974	102.6	109.5	108.4	101.2	97.1	95.2						
Veal Cutlet												
1971	230.5	231.6	234.0	238.3	240.2	237.6	244.3	245.9	246.7	248.0	248.9	249.6
1972	250.5	260.7	262.7	265.0	266.3	270.7	274.5	276.1	276.6	278.0	279.8	280.8
1973	284.6	295.7	308.5	314.0	314.1	313.5	315.9	324.6	323.4	326.2	327.4	326.0
1974	341.3	348.4	350.2	343.1	340.9	342.0						
Pork Chops												
1971	101.7	103.2	109.0	106.5	103.1	106.1	108.8	113.9	110.7	110.6	111.3	112.0
1972	112.3	125.1	119.9	116.8	115.6	120.7	131.6	128.9	132.5	131.3	130.9	129.3
1973	139.5	147.7	154.2	145.0	147.0	150.0	152.1	196.5	169.8	157.9	157.6	153.4
1974	162.7	164.0	158.5	149.7	143.7	139.8						
Roast, loin												
1971	73.5	74.2	76.8	74.4	73.6	75.2	76.4	79.6	78.8	77.9	78.3	78.6
1972	79.5	86.9	85.5	82.8	82.1	85.1	93.1	92.1	93.1	93.2	93.3	92.0
1973	99.3	105.5	111.9	109.5	108.7	110.1	111.7	151.5	131.3	120.7	119.7	116.9
1974	122.9	123.9	121.1	111.7	107.5	102.9						
Bacon, sliced												
1971	81.3	79.4	80.3	79.5	79.2	79.4	79.8	79.8	80.7	79.8	80.4	80.4
1972	83.2	93.9	92.7	92.5	91.2	93.1	95.7	99.4	99.8	106.0	103.7	103.5
1973	107.3	114.7	118.1	121.6	119.5	121.2	123.1	161.0	166.4	152.8	142.9	141.4
1974	139.1	143.4	137.1	124.8	118.1	109.7						
Ham, whole												
1971	74.2	71.4	72.0	67.3	69.4	71.1	70.5	70.5	71.1	69.9	70.3	72.8
1972	74.9	76.6	77.8	76.7	75.2	76.3	77.5	78.0	78.6	79.9	81.9	85.5
1973	92.0	91.0	94.8	99.7	98.4	97.8	98.2	121.7	126.0	115.3	117.0	122.2
1974	121.3	115.9	114.2	108.9	97.3	92.6						
Lamb Chops												
1971	186.6	187.2	188.5	188.2	189.7	187.6	191.2	192.4	193.0	191.1	192.7	192.5
1972	192.1	195.5	196.0	195.3	195.0	199.7	203.0	203.6	202.6	203.9	204.0	203.1
1973	205.3	218.1	225.5	227.5	226.6	224.5	228.8	241.4	240.8	227.1	223.4	230.1
1974	200.2	216.3	219.7	213.2	213.0	222.9						

Data from the Bureau of Labor Statistics.

Pork

First half 1974 pork production was near 7 billion pounds—up 7 percent from last year. Second half production is expected to be near 6.7 billion pounds, also up 6-8 percent. Most of the increase in production in the first half came during the second quarter, and most of the second half increase is expected in the summer.

The big increase in pork production during April-June resulted in a retail pork price drop of 14 percent from the January-March average to 99 cents per pound. Like beef, pork supplies are much larger this summer than last year, but seasonally lower than in the spring. Higher summer retail pork prices are a certainty, but prices are not likely to approach the $1.22 per pound average of last summer.

During October-December, retail pork prices are expected to decline again as fall production exceeds the summer level by an expected 10 percent. Even though fall production may only be marginally higher than fall 1973 and broiler production will be down, retail prices will be lower than last fall's $1.16 per pound. Much larger supplies of lower grade beef this fall will likely be a major factor in keeping retail pork prices lower.

Veal

The trend in veal prices generally is similar to that for beef but veal prices are more resistant to downward movements than beef prices. First-half veal production was only down 3 percent from last year, modest considering the 23 percent decline in 1973. April-June veal production was up 9 percent. The history of smaller veal supplies may be reversed for a short time during the rest of 1974 and 1975 as veal production may continue to increase. Record inventories of calves, deteriorating range pasture conditions, and low feeder calf prices will be responsible for the reversal. Veal prices will continue to follow the beef market but in the coming months veal prices could be more responsive to downward trends.

Lamb

Lamb production will likely be small for the remainder of 1974. First half lamb and mutton production was down 10 percent from last year, and will likely be down more than that in the second half. Retail lamb prices may continue steady through year-end. Sharply reduced lamb production will be a price strengthening factor but larger supplies and lower prices of competing meats this fall will be a price depressant.

Cold Storage Stocks Decline

Cold storage stocks of meat declined during June after a 9 month buildup to a record 1,016 million pounds on June 1. But total meat stocks on July 1 were still at a record July level of 924 million, 37 percent higher than a year earlier.

Beef stocks have been declining since April 1 when they reached a record 485 million pounds. Pork stocks continued to increase through May and reached a 1974 high of 412 million pounds on June 1, not a record level but 59 percent more than a year earlier.

Further declines in meat stocks this summer are likely as meat prices trend higher. July 1 cold storage stocks of beef were 443 million pounds and pork stocks were 356 million pounds. For comparison, average weekly July beef production under Federal inspection was about 400 million pounds and pork production averaged 210 million pounds.

Foreign Trade

First-half 1974 meat imports were down 4 percent from last year to 1.1 billion pounds (carcass weight). Declines occurred in all classes of meat. Beef and veal imports were down 3 percent to 860 million pounds. Pork imports were also 3 percent lower at 254 million pounds. Declining livestock and meat prices during the first half of 1974 in the United States were not very attractive to foreign exporters even though several other buying countries including Japan put restraints on their meat imports. Beef and pork imports in June ran well under year-earlier levels alleviating some of the fear, for the time being, that the United States would become a dumping ground for world meat shipments.

First half meat exports of 76 million pounds were only about half the amount of meat shipped in the first half last year. Beef and veal exports were down 2 percent but pork exports were only about a fourth of the previous year's level. All of the decline in beef and veal exports took place during April-June, when Japan and Canada sharply curtailed purchases of U.S. beef.

First half meat imports subject to quota restrictions, at 556 million pounds (product weight), were down 7 percent from a year earlier. Second half imports are expected to be around 650 million pounds, a drop of 14 percent from last year. Total 1974 meat imports subject to quota are expected to be 1,210 million pounds, down 11 percent from last year.

With drought conditions in the West this summer forcing many cows and non-fed steers and heifers to market, domestic supplies of low quality processing beef will be abundant. Lower prices for this type of beef will likely continue to discourage foreign shipments of beef to the United States for the remainder of the year.

Canada Lifts Ban

The 4-month ban on beef imports from the United States was lifted on August 2 following a mutual agreement on inspection procedures to prevent DES

Table 8.—Meat subject to U.S. import quota restriction: Product weight of imports by months, average 1959-63, 1964-74

Year	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Total
	Mil. lb.	*Mil. lb.*	*Mil. lb.*	*Mil. lb.*	*Mil. lb.*	*Mil. lb.*	*Mil. lb.*	*Mil. lb.*	*Mil. lb.*	*Mil. lb.*	*Mil. lb.*	*Mil. lb.*	*Mil. lb.*
1959-63 average .	47.3	49.6	57.5	54.3	48.5	58.6	67.1	84.1	76.1	61.6	56.1	61.4	722.2
1964	87.2	44.9	68.9	61.4	51.1	98.1	43.7	79.5	49.6	46.4	55.7	53.4	739.9
1965	28.2	34.5	68.7	32.4	52.3	41.9	58.5	59.9	62.2	64.4	57.2	53.7	613.9
1966	51.4	60.3	49.4	63.3	52.0	100.2	61.4	87.1	91.5	79.7	61.1	66.0	823.4
1967	77.4	58.5	61.9	58.8	51.5	69.6	88.7	92.2	89.8	91.8	82.3	72.4	894.9
1968	80.7	72.6	64.1	78.4	56.1	105.1	86.4	108.6	115.5	102.1	95.8	35.6	1,001.0
1969[1]	41.9	50.4	136.1	90.0	80.5	85.7	107.1	141.8	121.4	108.4	51.4	69.4	1,084.1
1970[1]	124.5	100.7	112.0	88.7	62.1	93.4	110.0	113.0	107.6	89.3	79.3	89.8	1,170.4
1971[1]	83.4	65.1	88.3	86.2	76.8	101.0	94.4	104.9	158.6	80.4	63.2	130.3	1,132.6
1972[1]	86.9	80.8	75.4	105.4	107.9	106.4	106.8	164.6	163.8	145.1	119.0	93.4	1,355.5
1973	106.2	98.4	88.3	97.9	113.1	91.5	105.9	153.7	110.3	150.0	130.0	109.1	1,354.4
1974	118.0	82.3	104.9	91.4	80.6	78.6							

[1] Rejections for calendar year 1969 equaled 13.5 million pounds, 17.4 million pounds for 1970, 21.0 million pounds for 1971, 17.8 million pounds for 1972, and 18.4 million pounds for 1973.

Table 9.—U.S. meat imports and exports and percentage comparisons (carcass weight), 1973 and 1974

Months	Beef and veal			Lamb and mutton[1]			Pork			Total meat		
	1973	1974	Change	1973	1974	Change	1973	1974	Change	1973	1974	Change
	Mil. lb.	*Mil. lb.*	*Pct.*	*Mil. lb.*	*Mil. lb.*	*Pct.*	*Mil. lb.*	*Mil. lb.*	*Pct.*	*Mil. lb.*	*Mil. lb.*	*Pct.*
IMPORTS												
January	167	178	+7	4	1	-67	44	43	-3	215	222	+4
February	148	127	-14	7	3	-58	39	47	+20	194	177	-9
March	128	163	+27	8	4	-52	37	52	+41	173	219	+27
April	141	137	-3	5	6	+16	48	43	-11	194	186	-4
May	163	125	-24	7	2	-74	48	39	-18	218	166	-24
June	139	129	-7	3	4	+13	45	29	-34	187	162	-13
July	160			5			38			203		
August	227			4			42			273		
September	169			2			38			209		
October	222			3			48			273		
November	192			3			46			241		
December	164			1			39			204		
Total	2,020			52			512			2,584		
EXPORTS												
January	6.50	9.57	+47	0.20	.35	+77	6.10	4.76	-22	12.80	14.68	+15
February	5.04	8.77	+74	.20	.26	+36	12.14	3.13	-74	17.38	12.16	-30
March	6.83	8.06	+18	.25	.34	+35	33.55	4.12	-88	40.63	12.52	-69
April	6.37	6.03	-5	.22	.41	+83	31.15	5.88	-81	37.74	12.32	-67
May	7.99	4.66	-42	.17	.22	+27	29.72	6.22	-79	37.88	11.10	-71
June	8.51	3.48	-59	.16	.22	+42	14.54	9.19	-37	23.21	12.89	-44
July	6.93			.22			5.68			12.83		
August	6.76			.28			4.10			11.14		
September	5.22			.21			6.03			11.46		
October	9.32			.25			13.96			23.53		
November	11.02			.32			8.68			20.02		
December	10.41			.26			5.43			16.10		
Total	90.90			2.74			171.08			264.72		

[1] Includes goat meat.

treated meat and livestock from entering Canada. The use of DES in Canada is still prohibited. Certification will be required from a government official, the producer, and a veterinarian stating that the animals have not been fed DES. Although a certification procedure was approved, a quota system was imposed, limiting the number of cattle shipped to Canada from the United States based on the past 5 year average. Under the quota, about 83,000 cattle could be shipped during a 12 month period.

Live cattle exports to Canada are normally not large although relatively favorable Canadian prices earlier this year resulted in nearly 10,000 head per week moving north of the border in March, prior to the ban. In May and June the movement slowed to a trickle. Removal of the ban may mean some increase in cattle moving north again, but numbers aren't likely to reach the previous March level. The impact on domestic cattle prices of the resumed movement is not expected to be significant nationwide, although some localized Midwestern markets may be given a boost.

Table 10.—Canned Meat: Supply and distribution, 1960 to date

Year	Federally inspected production[1]	Imports		Beginning stocks[4]	Commercial exports and shipments[5]	Ending stocks[4]	Domestic disappearance		
		Canned beef[2]	Canned pork[3]				Military[6]	Civilian[7] [9]	Per capita[8] [9]
	Million pounds	*Million pounds*	*Million pounds*	*Million pounds*	*Million pounds*	*Million pounds*	*Million pounds*	*Million pounds*	*Pounds*
1960	1,754	77	127	53	23	57	11	1,920	10.8
1961	1,896	95	125	57	21	56	21	2,075	11.5
1962	1,980	84	158	56	17	59	27	2,175	11.8
1963	2,058	112	151	59	18	70	92	2,200	11.8
1964	2,217	79	146	70	20	76	89	2,327	12.3
1965	2,104	91	178	76	44	51	159	2,195	11.5
1966	2,254	90	233	51	44	53	136	2,395	12.4
1967	2,299	98	252	53	45	57	135	2,395	12.6
1968	2,420	118	268	57	51	51	185	2,465	13.1
1969	2,605	117	264	51	45	47	115	2,830	14.3
1970	2,577	119	285	47	27	57	92	2,852	14.1
1971	2,752	91	288	57	24	72	123	2,969	14.5
1972	2,576	100	305	72	54	61	65	2,729	13.2
1973	2,580	93	311	61	51	69	40	2,885	13.9

[1] Beef, pork sausage, all other, excluding soup. Data from Meat Inspection Division, APHIS. [2] Data from Bureau of the Census. [3] Federally inspected for entry. Data from meat inspection Division, APHIS. Beginning in 1967 data from Bureau of the Census. [4] Refrigerated stocks only. [5] Includes shipments to territories. Data from Bureau of the Census. [6] From Statistical Yearbook of the Quartermaster Crops and other military records. [7] Calculated from federally inspected supplies and distribution as shown. Federally inspected production is the largest part of total U.S. production of canned meat. [8] Civilian per capita. [9] Includes canned meat bought by the Department of Agriculture for school lunches and eligible institutions.

Table 11.— Edible offals: Supply and distribution, 1960 to date

Year	Supply				Distribution				
	Total production[1]	Beginning commercial stocks[2]	Imports	Total	Ending commercial stock[2]	Commercial exports[3]	Domestic disappearance		
							Military	Civilian	Per capita[4]
	Million	*Million*	*Million*	*Million*	*Million*	*Million*	*Million*	*Million*	*Pounds*
1960	1,924	---	2	1,926	---	118	([5])	1,808	10.1
1961	1,945	---	2	1,947	---	123	([5])	1,824	10.1
1962	1,969	---	3	1,972	---	124	([5])	1,848	10.1
1963	2,074	---	3	2,077	---	158	([5])	1,919	10.3
1964	2,219	---	1	2,220	---	229	([5])	1,991	10.5
1965	2,143	---	2	2,145	---	226	([5])	1,919	10.0
1966	2,212	---	3	2,215	---	219	([5])	1,996	10.3
1967	2,315	---	4	2,319	---	226	([5])	2,093	10.7
1968	2,383	---	4	2,387	---	232	([5])	2,155	10.9
1969	2,385	---	6	2,391	---	247	([5])	2,144	10.8
1970	2,444	---	10	2,454	---	250	([5])	2,204	10.9
1971	2,545	---	7	2,552	---	289	([5])	2,263	11.1
1972	2,493	---	8	2,501	---	292	([5])	2,209	10.7
1973	2,344	---	7	2,351	---	298	([5])	2,053	9.9

[1] Production of offals based on percentage of carcass-weight meat production, including farm: beef 6.7, veal 10.7 lamb and mutton 5.1, pork excluding lard 6.7 percent. [2] Not reported. Assumed no change in stocks during the year. [3] Beginning 1965 includes shipments to territories. [4] Civilian per capita. [5] Less than 500,000 pounds.

Table 12.— Cash receipts from farm marketings and Government payments, with percentages distribution, 50 States, averages 1940-64 annual 1965-73

Year	Total cash receipts and Government payments	Livestock and Livestock Products							All crops	Government payments
		Total[1]	Meat animals				Dairy products	Poultry and eggs[2]		
			Total	Cattle and calves	Hogs	Sheep and lambs				
	Million dollars	*Million dollars*	*Million dollars*	*Million dollars*	*Million dollars*	*Million dollars*	*Million dollars*	*Million dollars*	*Million dollars*	*Million dollars*
Average:										
1940-44 ...	15,711	8,658	4,386	2,102	2,013	271	2,290	1,748	6,385	668
1945-49 ...	27,278	14,972	7,983	4,436	3,178	369	3,776	2,955	11,852	454
1950-54 ...	31,219	17,432	9,649	5,771	3,501	377	4,204	3,278	13,504	263
1955-59 ...	32,056	17,568	9,583	6,340	2,909	334	4,498	3,180	13,774	714
1960-64 ...	37,689	19,730	11,168	7,804	3,050	314	4,888	3,298	16,405	1,554
1965	41,828	21,886	12,878	8,942	3,607	329	5,038	3,583	17,479	2,463
1966	46,712	25,026	14,932	10,430	4,169	333	5,533	4,146	18,409	3,277
1967	45,896	24,383	14,661	10,550	3,809	302	5,742	3,622	18,434	3,079
1968	47,645	25,487	15,374	11,264	3,795	315	5,957	3,798	18,696	3,462
1969	51,973	28,573	17,657	12,572	4,742	343	6,196	4,377	19,606	3,794
1970	54,256	29,563	18,475	13,633	4,508	334	6,525	4,250	20,976	3,717
1971	56,004	30,583	19,515	15,043	4,153	319	6,811	3,963	22,276	3,145
1972	64,954	35,658	23,977	18,246	5,379	352	7,135	4,189	25,340	3,961
1973	91,197	46,244	30,768	22,739	7,645	384	8,071	6,899	42,346	2,607
	Percentage of total									
	Percent	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*
Average:										
1940-44 ...	100.0	55.1	27.9	13.4	12.8	1.7	14.6	11.1	40.6	4.3
1945-49 ...	100.0	54.9	29.3	16.3	11.6	1.4	13.8	10.8	43.4	1.7
1950-54 ...	100.0	55.8	30.9	18.5	11.2	1.2	13.5	10.5	43.3	.9
1955-59 ...	100.0	54.8	29.9	19.8	9.1	1.0	14.0	9.9	43.0	2.2
1960-64 ...	100.0	52.4	29.6	20.7	8.1	.8	13.0	8.8	43.5	4.1
1965	100.0	52.3	30.8	21.4	8.6	.8	12.0	8.6	41.8	5.9
1966	100.0	53.6	32.0	22.3	8.9	.7	11.8	8.9	39.4	7.0
1967	100.0	53.1	31.9	23.0	8.3	.7	12.5	7.9	40.2	6.7
1968	100.0	53.5	32.3	23.6	8.0	.7	12.5	8.0	39.2	7.3
1969	100.0	55.0	34.0	24.2	9.1	.7	11.9	8.4	37.7	7.3
1970	100.0	54.5	34.1	25.2	8.3	.6	12.0	7.8	38.7	6.8
1971	100.0	54.6	34.8	26.9	7.4	.5	12.2	7.1	39.8	5.6
1972	100.0	54.9	36.9	28.1	8.3	.5	11.0	6.4	39.0	6.1
1973	100.0	50.7	33.7	24.9	8.4	.4	8.8	7.6	46.4	2.9

[1] Includes wool, horses, mules, mohair, honey, beeswax, bees, goats, rabbits, and fur animals. [2] Includes ducks, geese, guineas, pigeons, quail, pheasants and turkey hatching eggs.

Supply and distribution of commercially produced meat, by month, carcass weight

Meat and period	Supply			Distribution				
	Production[1]	Beginning stocks	Imports	Exports and shipments	Ending stocks	Military	Civilian consumption	
							Total	Per person[2]
	Million pounds	*Million pounds*	*Million pounds*	*Million pounds*	*Million pounds*	*Million pounds*	*Million pounds*	*Pounds*
Beef:								
1973								
June	1,740	338	138	13	322	20	1,861	8.9
July	1,694	322	159	11	298	14	1,852	8.9
August	1,662	298	226	12	254	6	1,914	9.2
September	1,641	254	167	9	244	24	1,785	8.6
October	1,996	244	218	13	315	24	2,106	10.1
November	1,875	315	188	15	393	20	1,950	9.3
December	1,778	393	160	16	448	14	1,853	8.9
1974								
January	1,972	448	174	14	464	10	2,106	10.1
February	1,601	464	125	13	448	12	1,717	8.2
March	1,856	448	160	12	485	13	1,954	9.4
April	1,852	485	136	10	471	13	1,979	9.5
May	1,946	471	123	8	465	13	2,054	9.8
June	1,839	465	126	8				
Veal:								
1973								
June	25	12	1	(3)	11	1	26	.1
July	24	11	1	(3)	10	(3)	26	.1
August	25	10	1	1	8	(3)	27	.1
September	24	8	2	(3)	8	(3)	26	.1
October	28	8	4	1	9	(3)	30	.2
November	28	9	4	1	10	(3)	30	.1
December	24	10	4	1	12	1	24	.1
1974								
January	29	12	4	1	12	(3)	32	.2
February	25	12	2	1	12	(3)	26	.1
March	29	12	4	1	14	1	29	.1
April	28	14	2	1	14	(3)	29	.1
May	29	14	2	1	14	1	29	.1
June	26	14	2	1				
Lamb & Mutton:								
1973								
June	40	16	3	(3)	16	3	40	.2
July	43	16	5	(3)	14	(3)	50	.3
August	44	14	4	(3)	13	(3)	49	.2
September	41	13	2	1	13	(3)	42	.2
October	49	13	3	1	16	(3)	48	.2
November	40	16	3	(3)	15	(3)	44	.2
December	34	15	1	1	15	(3)	34	.1
1974								
January	41	15	1	1	12	(3)	44	.2
February	34	12	3	(3)	12	(3)	37	.2
March	44	12	4	1	14	(3)	45	.2
April	43	14	6	(3)	14	(3)	49	.2
May	36	14	2	(3)	17	(3)	35	.2
June	29	17	4	1				
Pork:								
1973								
June	995	259	45	23	252	8	1,016	4.9
July	889	252	38	12	203	6	960	4.6
August	973	203	42	11	179	15	1,011	4.9
September	929	179	38	13	196	10	927	4.4
October	1,152	196	48	21	224	9	1,142	5.5
November	1,137	224	46	16	277	6	1,108	5.3
December	1,058	277	39	16	286	6	1,066	5.1
1974								
January	1,212	286	43	14	303	6	1,218	5.8
February	999	303	47	9	307	6	1,027	4.9
March	1,159	307	52	11	351	8	1,148	5.5
April	1,228	351	42	13	405	6	1,197	5.7
May	1,262	405	39	13	412	5	1,276	6.1
June	1,050	412	30	19				
Total Meat:								
1973								
June	2,800	625	187	36	601	32	2,943	14.1
July	2,650	601	203	23	525	20	2,886	13.9
August	2,704	525	273	24	454	21	3,003	14.4
September	2,635	454	209	23	461	34	2,780	13.3
October	3,225	461	273	36	564	33	3,326	16.0
November	3,080	564	241	32	695	26	3,132	14.9
December	2,894	695	204	34	761	21	2,977	14.2
1974								
January	3,254	761	222	30	791	16	3,400	16.3
February	2,659	791	177	23	779	18	2,807	13.4
March	3,088	779	220	25	864	22	3,176	15.2
April	3,151	864	186	24	904	19	3,254	15.5
May	3,273	904	166	22	908	19	3,394	16.2
June	2,944	908	162	29				

[1] Excludes production from farm slaughter. [2] Derived from estimates by months of population eating out of civilian food supplies. [3] Less than 500,000 pounds.

Selected price statistics for meat animals and meat

Item	1974						
	Jan.	Feb.	Mar.	Apr.	May	June	July
	Dollars per 100 pounds						
CATTLE AND CALVES							
Beef steers, slaughter, Omaha							
Prime	48.41	47.42	42.43	41.96	40.29	37.42	45.07
Choice	47.68	46.12	42.36	41.18	40.04	37.33	43.98
Good	46.19	44.78	41.06	39.62	38.45	35.28	40.34
Standard	42.67	41.58	37.77	37.30	34.91	29.74	34.03
Utility	41.05	39.72	36.94	36.20	33.85	27.82	31.78
All grades	47.28	45.72	41.98	40.81	39.49	36.62	42.81
Choice 900-1100 pounds, California	50.60	48.75	44.19	44.62	43.98	39.69	45.92
Choice 900-1100 pounds, Colorado	49.46	47.42	41.83	41.61	41.29	38.16	45.30
Cows, Omaha							
Commercial	31.40	32.44	31.61	30.35	27.58	26.15	23.90
Utility	31.45	32.65	31.76	30.49	27.67	26.39	24.22
Cutter	29.71	30.77	30.04	28.92	26.08	25.00	22.85
Canner	28.15	28.60	28.04	27.26	24.39	23.04	21.25
Vealers, Choice, S. St. Paul	61.29	64.92	63.30	59.62	55.16	48.35	43.54
Stocker and feeder steers, Kansas City[1]	48.73	45.12	43.65	42.49	37.24	33.16	34.44
Price received by farmers							
Beef cattle	44.40	43.50	40.70	39.20	37.20	32.30	35.00
Cows	32.00	33.10	32.30	30.70	28.90	24.90	23.60
Steers and heifers	47.60	46.50	42.90	41.20	39.10	34.10	38.20
Calves	53.90	53.20	49.40	47.20	42.80	37.40	36.50
Beef steer-corn price ratio[2]	17.4	15.5	15.2	16.4	15.7	13.7	13.4
HOGS							
Barrows and gilts, U.S. No. 1 and 2, Omaha							
180-200 pounds	—	—	—	—	—	—	—
200-220 pounds	42.11	41.02	35.73	32.25	28.24	29.89	38.05
220-240 pounds	42.06	41.01	35.73	32.22	28.13	29.78	38.08
Barrows and gilts, 7 markets[3]	40.59	39.73	34.88	30.52	26.09	27.40	36.31
Sows, 7 markets[3]	33.93	34.21	31.42	26.60	21.52	21.37	28.12
Price received by farmers	40.10	39.40	35.00	30.60	26.30	23.50	34.50
Hog-corn price ratio[4]							
Omaha, barrows and gilts	14.8	13.4	12.5	12.1	10.2	10.0	11.2
Price received by farmers, all hogs	15.5	14.3	13.1	12.7	10.7	9.1	11.9
SHEEP AND LAMBS							
Sheep							
Slaughter ewes, Good, San Angelo	20.80	22.38	21.00	16.50	12.65	12.25	12.75
Price received by farmers	14.20	15.20	14.50	13.30	11.90	10.60	10.40
Lamb							
Slaughter, Choice, San Angelo	39.50	40.75	40.38	42.25	47.25	46.25	37.94
Feeder, Choice, San Angelo	39.55	38.12	34.19	41.56	42.00	37.08	31.25
Price received by farmers	39.20	39.50	35.80	37.40	41.50	43.50	38.20
ALL MEAT ANIMALS							
Index number price received by farmers (1967=100)	202	199	183	172	159	140	163
	Dollars per 100 pounds						
MEAT							
Wholesale, Chicago, Carlot							
Steer beef carcass, Choice, 600-700 pounds	75.56	75.78	67.62	65.84	66.13	62.18	71.53
Heifer beef, Choice, 500-600 pounds	73.99	73.78	66.20	64.77	64.71	61.32	70.52
Cow beef, Canner and Cutter	67.30	67.65	63.45	62.07	58.71	55.09	53.08
Lamb carcass, Choice and Prime, 45-55 pounds	83.15	85.78	76.75	74.75	90.30	92.50	85.30
Fresh pork loins, 8-14 pounds	80.01	79.67	70.00	65.03	65.04	67.85	79.01
	Cents per pound						
Retail, United States average							
Beef, Choice grade	143.0	150.0	142.2	136.4	135.0	132.2	
Pork, retail cuts and sausage	116.7	117.2	111.8	104.7	99.4	93.7	
Lamb, Choice grade	132.6	136.9	139.3	137.3	136.5	130.0	
Index number all meats (BLS)							
Wholesale (1967=100)	177.8	175.1	160.1	151.9	147.5	135.7	165.0
Retail (1967=100)	169.9	176.3	173.1	164.8	158.7	154.8	
Beef and veal	168.6	181.3	178.4	170.0	165.8	163.9	
Pork	173.5	174.0	169.0	158.2	148.8	141.2	

---

[1] Average all weights and grades. [2] Bushels of No. 2 Yellow Corn equivalent in value to 100 pounds of slaughter steers sold out of first hands, Omaha, all grades. [3] St. Louis N.S.Y., Kansas City, Omaha, Sioux City, S. St. Joseph, S. St. Paul, and Indianapolis. [4] Number bushels of corn equivalent in value to 100 pounds of live hogs.

Selected marketing, slaughter and stock statistics for meat animals and meat

Item	Unit	1974					
		Jan.	Feb.	Mar.	Apr.	May	June
Meat animal marketings							
Index number (1967-100)		116	99	109	113	122	107
7-State Cattle on Feed Report							
Number on feed	1,000 head	9,353	9,632	9,248	8,803	8,351	7,885
Placed on feed	1,000 head	1,837	956	1,182	1,192	1,085	806
Marketings	1,000 head	1,558	1,340	1,627	1,644	1,551	1,545
Slaughter under Federal Inspection							
Number slaughtered							
Cattle	1,000 head	2,792	2,303	2,621	2,643	2,793	2,621
Steers	1,000 head	1,447	1,259	1,537	1,558	1,626	1,566
Heifers	1,000 head	684	516	595	600	659	611
Cows	1,000 head	608	481	442	437	449	386
Bulls and stags	1,000 head	54	47	47	48	59	58
Calves	1,000 head	181	155	180	172	167	137
Sheep and lambs	1,000 head	749	612	772	782	670	581
Hogs	1,000 head	6,804	5,584	6,568	6,867	7,077	5,894
Percentage sows	Percent	6	6	4	5	6	7
Average live weight per head							
Cattle	Pounds	1,074	1,074	1,077	1,069	1,077	1,074
Calves	Pounds	199	196	186	197	211	210
Sheep and lambs	Pounds	108	111	111	109	105	100
Hogs	Pounds	246	244	245	246	246	249
Average production							
Beef, per head	Pounds	648	638	655	648	647	651
Veal, per head	Pounds	115	114	112	116	120	123
Lamb and mutton, per head	Pounds	54	55	56	54	52	49
Pork, per head	Pounds	168	169	168	170	170	169
Pork, per 100 pounds live weight	Pounds	68	69	69	69	69	68
Lard, per head	Pounds	16	15	17	16	17	18
Lard, per 100 pounds live weight	Pounds	6	6	7	6	7	7
Total production							
Beef	Mil. lb.	1,807	1,465	1,711	1,707	1,802	1,700
Veal	Mil. lb.	21	18	20	20	20	17
Lamb and mutton	Mil. lb.	40	34	43	42	35	28
Pork	Mil. lb.	1,143	974	1,101	1,166	1,200	992
Lard	Mil. lb.	108	85	110	108	122	109
Commercial slaughter[1]							
Number slaughtered							
Cattle	1,000 head	3,088	2,543	2,872	2,898	3,050	2,865
Calves	1,000 head	214	186	212	204	205	175
Sheep and lambs	1,000 head	770	629	791	817	694	601
Hogs	1,000 head	7,234	5,961	6,943	7,280	7,479	6,269
Total production							
Beef	Mil. lb.	1,972	1,601	1,856	1,852	1,946	1,839
Veal	Mil. lb.	29	25	29	28	29	26
Lamb and mutton	Mil. lb.	41	34	44	43	36	29
Pork	Mil. lb.	1,212	999	1,159	1,228	1,262	1,050
Lard	Mil. lb.	113	89	114	113	127	113
Cold storage stocks first of month							
Beef	Mil. lb.	448	464	448	485	471	465
Veal	Mil. lb.	12	12	12	14	14	14
Lamb and mutton	Mil. lb.	15	12	12	14	14	17
Pork	Mil. lb.	286	303	307	351	405	412
Total meat and meat products[2]	Mil. lb.	830	864	864	960	1,006	1,016

[1] Federally inspected and other commercial. [2] Includes stocks of canned meats in cooler in addition to the meats listed.

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